



City of Zeeland, Michigan

Comprehensive Annual Financial Report

For The Year Ended June 30, 2008

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
CITY OF ZEELAND, MICHIGAN
For the Fiscal Year Ended June 30, 2008

CITY COUNCIL

Lester Hoogland – Mayor

Sally Gruppen

Kevin Klynstra

Allen Dannenberg

Jim Broersma

Richard VanDorp III

Sheri Holstege

PREPARED BY
CITY OF ZEELAND FINANCE DEPARTMENT

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Year Ended June 30, 2008

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INTRODUCTORY SECTION



November 13, 2008

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Zeeland:

The City Charter and State law require that the City publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Zeeland for the fiscal year ended June 30, 2008.

This report consists of management's representations concerning the finances of the City of Zeeland. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Zeeland has established a comprehensive internal control framework that is designed both to protect the city's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City of Zeeland's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Zeeland's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Zeeland's financial statements have been audited by Kiekover, Scholma & Shumaker, PC, an independent firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Zeeland for the fiscal year ended June 30, 2008 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Zeeland's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP. An unqualified opinion is the best opinion that an organization can receive on its financial statements. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and an analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Zeeland's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Zeeland, incorporated in 1907, is located in western Michigan, approximately 25 miles west of Grand Rapids. The population of Zeeland is 5,805 within the city's three square miles. Many more persons reside in numerous new housing developments surrounding the city, and the city is an employment center with many world-class manufacturing facilities within its borders. The strong work ethic is evident in the quality work force in the area, and pride is apparent in the upkeep of homes and businesses. The city is empowered to levy a property tax on both real and personal property located within its boundaries.

The city operates under a Council-Manager form of government. Policy-making and legislative authority are vested in the City Council, which consists of a mayor and six-member council. The City Council is responsible, among other things, for setting policies, approving ordinances, adopting the budget, appointing committees and hiring the city manager. The city manager and department heads are responsible for carrying out the policies and ordinances of the governing council. The mayor and council members are elected at large. Council members are elected to four-year staggered terms with three council members elected every two years. The mayor is elected every two years to a two year term.

The City of Zeeland provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets and other infrastructure; recreational activities and cultural events; public improvements; planning; zoning and general administrative services. The Board of Public Works, which entails the Electric Utility Fund and Water Utility Fund is not a legally separate component unit, but is reported separately from governmental activities. These business-type activities are reported separately because they rely to a significant extent on fees and charges for support, whereas the governmental activities are normally supported by taxes and intergovernmental revenues. The City Council appoints its five member board and approves rates for user charges, their budget and any bond issuance authorizations. The legal liability for any general bonded debt remains with the city. The Electric Utility and Water Utility Funds are presented as a proprietary fund type. The Clean Water Utility Fund is directly controlled by the City Council and does not fall under the Board of Public Works. It is also reported as a proprietary fund type and combined under business-type activities. The Zeeland Building Authority is a blended component unit. Although a legally separate entity, it is in substance part of the City's operations and is included as an integral part of the City of Zeeland's financial statements.

The City maintains budgetary controls. An annual budget is adopted in accordance with the legal requirements set forth in the Uniform Budgeting Act, State of Michigan P.A. 621 of 1978 as well as the City Charter. The annual budget serves as the foundation for the City of Zeeland's financial planning and control. All departments of the City of Zeeland are required to submit requests for appropriations to the city manager. These requests form the basis for the development of a proposed budget. On or before March 31, the proposed budget is presented by the city manager to the City Council for review. The council is required to hold public hearings on the proposed budget and to adopt a final budget no later than their first regular meeting in May. The budget is prepared by fund, function, activity (i.e. assessor, police patrol) and line item level. The budget is appropriated at the activity level. Expenditures may not legally exceed budget appropriations at the activity level within the fund, department and activity. Department heads may adjust line items within the activity; however, only the City Council has the authority to amend the total activity budget. Transfers of appropriations between activities require approval of the City Council. Unexpended amounts lapse at year end; however, funding for committed capital projects is generally reappropriated as part of the following year's budget. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. The General Fund, Major Street Fund, and Local Street Fund can be found on pages 29-32 as part of the required supplementary information for the governmental funds. For other governmental funds this comparison can be found on pages 39-49.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Zeeland operates.

Local Economy. The city is an industrial and commercial oriented community serving as a principal business, marketing and cultural center for the surrounding suburban and agricultural area. Industrial and commercial valuations comprise 50% of the city's ad valorem tax base of \$313,638,800 (State Equalized Value). Additional tax base is provided from the industrial facilities tax on property valued at \$265,781,400 and levied at one-half the regular property tax rate.

Zeeland's industrial composition is well diversified, with some 60 industries located within the corporate limits employing in excess of 11,000 persons. Included are such well-known corporations as Herman Miller, Inc., an international leader in the manufacturing of office systems furniture; Howard Miller Clock Company, one of the largest producers of grandfather clocks in the world; Gentex Corporation, a manufacturer of transportation equipment for the auto and aerospace industry; Mead Johnson (Bristol-Myers), a large producer of nutritional infant formula; ODL, a maker of door glass and skylights; Vertellus Chemicals, a large manufacturer of chemicals, and Consumer's Energy, an electric generating plant with a 540-megawatt combined cycle turbine facility.

Unemployment in the Metropolitan Statistical Area is 7.2% while the State of Michigan overall is at 8.7% (June 2008, not seasonally adjusted). While the State of Michigan is challenged by an ailing economy, the City of Zeeland continues to experience new investments and growth in

employment. Gentex Corporation, the City's largest employer, applied for and received an Industrial Facilities Tax Abatement Certificate for a \$46 million industrial expansion that will create 120 new jobs. Lean Logistics, a firm that helps trucking companies increase their efficiency, recently relocated to Zeeland and announced plans to hire 580 white-collar workers by 2013. Two of the three largest manufacturing employers in Ottawa County are located in the City. Also contributing to the economy of the area are large employers such as Zeeland Community Hospital, Haven Park Christian Home and Nursing, and Zeeland Public and Zeeland Christian Schools.

Long-Term Financial Planning. The City's long-term financial health remains strong. The undesignated fund balance in the general fund (45.6% of general fund expenditures) is above the City's targeted level of 25%. This healthy fund balance is particularly noteworthy given many cities and villages throughout the State of Michigan continue to struggle along with the State's economy. Continuing into fiscal year 2008-09, the general fund budget is balanced without using fund balance and without increasing the tax rate. The City's tax rate continues to be lower than fourteen out of sixteen similar sized communities surveyed in the West Michigan area. The budget for fiscal year 2009-2010 will call for a reduction in tax millage without sacrificing any City services.

While the economy of the City remains strong, the City has made a focused effort to actively market the City as a great place to live and do business. Next year's budget reflects both traditional and non-traditional forms of marketing which will assist in strengthening the city's new brand: Zeeland-Feel the Zeel. Next year's marketing includes expansion of general brand awareness through media advertising and print material, as well as specific efforts towards business recruitment to revitalize our downtown core.

Relevant Financial Policies. The City continues to set a goal of maintaining a minimum General Fund balance of 25% of operating expenditures, including transfers to other funds. This healthy level is a means of preparing for any unforeseen economic downturns. For the foreseeable future, the City will be able to maintain its targeted 25% fund balance within the General Fund.

The City aggressively and successfully seeks Federal, State and local grant funding for infrastructure projects to enhance the public's health and safety, provide culture and recreation, and grow and diversify manufacturing opportunities.

In 2004, the Governmental Accounting Standards Board (GASB) issued Statement 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions," that requires public agencies to report their costs and obligations pertaining to health and other benefits of current and future retired employees and to recognize these as a current cost during the working years of an employee. The effective date for the City to implement GASB 45 is fiscal year 2008-09 and the City will be in compliance. In conjunction with the reporting requirement, the City will be funding in full the actuarially determined Annual Required Contribution (ARC).

Major Initiatives. At the beginning of calendar year 2008 the City reevaluated its overall Vision for the City. While the Vision of the City remained largely the same with strategic efforts

in creating a vital downtown, strong neighborhoods, a healthy economy, excellent city services, strength in diversity and a great education system, the Mission of the City was changed to reflect the City's marketing efforts. The Mission of the City is "Feel the Zeel". This mission can be best described as having our residents and businesses express abundant enthusiasm that is unique to those living in the City of Zeeland. To maintain a strong focus on achieving our Vision each year the City establishes five bold steps to pursue. Our current bold steps are (1) recruit and establish unique retail and restaurants in the downtown area, (2) increase downtown living opportunities and city-wide housing, (3) continue with our urban renewal/infrastructure efforts, (4) work with the State of Michigan to establish incentives for growth, and (5) establish more arts and special events in Zeeland.

In the fall of 2008 the City initiated a plan to address a significant component of our City Vision, a vital downtown, and more specifically addressing bold steps one, two and five by engaging in the creation of a Downtown Vision. This effort will identify strengths, weaknesses and opportunities for Downtown Zeeland over the next 5-10 years. This Downtown Vision will be a component of the City's overall Vision and it should be completed by the spring of 2009. In conjunction with this effort the City has continued to market its "Feel the Zeel" campaign with targeted business recruitment efforts made to retail establishments that will fit well within the historic section of Downtown Zeeland. These recruitment efforts are paying dividends as the City will announce the establishment of new retail stores within the next few weeks and months. The City will continue these targeted recruitment efforts into the future.

In the area of arts and events the City will embark on a major renovation of the Lawrence Park Bowl. This is a historic 1930's amphitheater in Lawrence Park that has been used for concerts, plays, community events and church services. Use has dwindled in the recent past due to the structure falling into a state of disrepair. In an attempt to attract users to this great community asset once again the City has budgeted \$250,000 to rehabilitate and enhance this structure in the spring of 2009.

During these uncertain economic times in the State of Michigan and the United States in general, the City of Zeeland continues to be fiscally responsible. While the City has not experienced any significant reductions in our tax base the City continually looks to improve its operational efficiencies, maintain its conservative fiscal planning and invest back into the community. Prime examples of City steps in each of these initiatives are measurable. In the area of operational efficiencies the City has decided not to replace two full-time positions and in Fiscal Year 2008-2009 it took the step to merge the two previously separate departments of Fire and Emergency Services (Rescue). Conservative fiscal planning has enabled the City to increase the General Fund Balance by \$1.4 million since the 2000 Fiscal Year, while at the same time reducing our tax rate by 25%. In the current fiscal year the City does not plan to utilize any General Fund fund balance and the millage rate remained the same. In spite of staff reductions and maintaining conservative operating budgets, the City will continue to invest significantly back into the community's infrastructure and physical assets. For the 2008-2009 Fiscal Year the City and Board of Public Works has planned \$5.26 million worth of capital improvement projects. Beyond the major street improvement projects that typically include water, sanitary and electric upgrades, major initiatives on the horizon include the Board of Public Works participation in alternative energy sources from wind turbines and the conversion of methane gas from a nearby landfill and the City's effort to perform a substantial upgrade to its Clean Water Plant.

Cash Management Policies and Practices. The City of Zeeland's policy is to invest its funds in a manner that will provide the highest investment return with the maximum security, while meeting the daily cash flow needs of the City and complying with all state statutes governing the investment of public funds. Cash temporarily idle during the year was invested in certificates of deposit, obligations of the U.S Treasury and government agency obligations. The maturity of most investments was 5 years or less. Investment income includes appreciation or depreciation in the fair value of investments during the year. These increases or decreases in fair value during the current year, however, do not necessarily represent trends that will continue, especially in the case of temporary changes in the fair value of investments that the City intends to hold to maturity. The average yield on the City's investments for the year ended June 30, 2008 amounted to 5.1% (4.4% before any adjustment for changes in fair value).

Risk Management. The city carries full multi-peril insurance coverage underwritten by the Michigan Municipal League Liability and Property Pool. Insurance coverage includes comprehensive general liability, bodily injury and property damage, limited liability public official's errors and omissions, and comprehensive automobile. The city is fully insured for workers compensation claims by coverage underwritten by the Michigan Municipal Workers Compensation Fund. In addition, the Electric Utility and Water Utility Funds carry commercial insurance coverage for general liability and property loss. Risk control techniques include the use of third party claims review and investigation, third party loss control services, and employee education and training programs.

The City accounts for its health care self insurance program in an Internal Service Fund and charges out to other funds their respective share of health care self insurance costs. To protect against the financial effects of a catastrophic loss, reinsurance for the self-insured health care risk is purchased to limit City liability to \$30,000 per person per year. As with the coverage above, risk control techniques include the use of third party claims review and investigation, third party loss control services, and employee education and training programs. The City began an employee wellness program in January of 2008. This program also utilizes third party review and administration.

The City's short-term disability risk is fully self-insured and self-administered. Long-term disability is purchased and administered by a third party.

Additional information on the City of Zeeland's risk-management activity can be found in Note 4A of the notes to financial statements.

Pension and Other Post-Employment Benefits. The city maintains two pension plans. The defined contribution plan was established July 1, 2000 and covers eligible employees hired after July 1, 2000 and employees hired prior to July 1, 2000 who elected to have their balances transferred from the city's defined benefit plan. The city contributes 8% of covered compensation for participants who were employed by the city before July 1, 2000 and 6% of covered compensation for participants employed after July 1, 2000. The city contributions to the plan were \$182,409 for the fiscal year.

The defined benefit pension plan is a single-employer plan administered by the city. Each year, an independent actuary calculates the amount of the annual contribution that the City of Zeeland must make to the defined benefit plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, each year the city fully funds each year's contribution as determined by the actuary. The city contributions to the plan were \$224,870 and employees contributed \$4,464.

The annual required contribution for fiscal year 2009, \$317,979, is higher than last year. This is largely due to market losses. The actual rate of return on plan assets was -5.6%, a loss, compared to 7% assumed which caused an increase in the recommended contribution.

The City of Zeeland also provides postretirement health care benefits for retirees and their spouses. From retirement age to the age of 62, the retiree pays 100% of the health care costs for the spouse. The retiree and the spouse are included in City's self-funded insurance plan including prescription coverage. From the age of 62 to 65 the City pays 100% of the retirees' portion and 50% of the spouses. At age 65 the retiree is not eligible for inclusion in the City's health insurance plan, but the City will pay 100% of the retiree's insurance premium and 50% for the spouse. GAAP currently does not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these costs.

Additional information on the City of Zeeland's pension arrangements and postemployment benefits can be found in Notes 4C-E of the notes to financial statements.

Awards and Acknowledgements

Certificate of Achievement for Excellence in Financial Reporting. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Zeeland for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2007. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of State and local government financial reports.


In order to be awarded a Certificate of Achievement, the city published an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. The City of Zeeland has achieved a Certificate of Achievement for the last twenty consecutive years. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

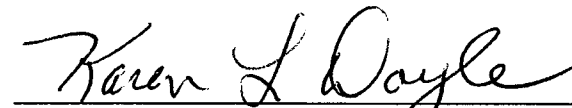
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. We would also like to express our appreciation to all the employees of the city who assisted and contributed to this report. Credit must also be given to the mayor and the governing council for their unfailing support for

maintaining the highest standards of professionalism in the management of the City of Zeeland's finances.

Respectfully submitted,



Timothy R. Klunder
City Manager



Karen L. Doyle
Assistant City Manager/Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Zeeland
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



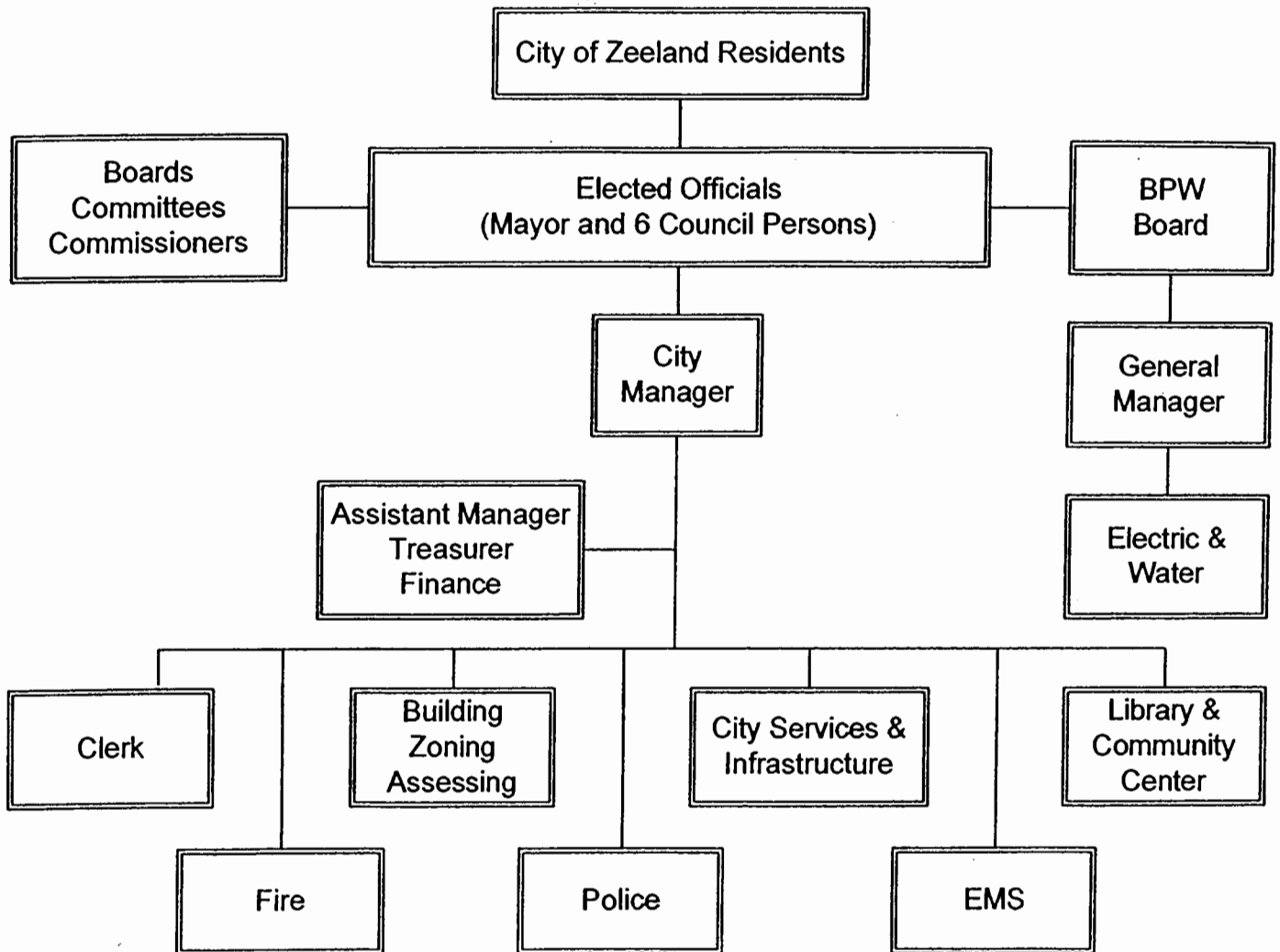
Oliver S. Cox

President

Jeffrey R. Enen

Executive Director

City of Zeeland, Michigan Organizational Chart



City of Zeeland, Michigan
LIST OF ELECTED AND APPOINTED OFFICIALS
June 30, 2008

CITY COUNCIL

Mayor
Mayor Pro Tem
Councilman
Councilman
Councilman
Councilman
Councilwoman

Lester Hoogland
Sally Gruppen
Kevin Klynstra
Allen Dannenberg
Jim Broersma
Richard VanDorp III
Sheri Holstege

ADMINISTRATION

City Manager
Board of Public Works General Manager
Assistant City Manager/Finance Director
City Assessor/Building Official
City Clerk
Police Chief
Library and Community Services Director
Fire-Rescue Chief
City Attorney

Timothy R. Klunder
David Walters
Karen L. Doyle
Arthur D. Grimes
Nancy Tuls
William Olney
Dennis Martin
William Gruppen
James Donkersloot

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

November 12, 2008

Honorable Mayor and
Members of City Council
City of Zeeland, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Zeeland, Michigan, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Zeeland Michigan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Zeeland, Michigan, as of June 30, 2008 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages XIII through XXIII and 29 through 34, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the management's discussion and analysis information. However, we did not audit the information and express no opinion on it. The budgetary comparison information has been subjected to the auditing procedures applied to the audit of the basic financial statements and, in our opinion, is fairly stated in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Zeeland, Michigan basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Kiekover, Scholma & Shumaker, PC

Management's Discussion and Analysis

As management of the City of Zeeland, Michigan, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages I-VIII of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$102,343,467 (*net assets*). Of this amount, \$41,318,551 (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$6,295,162. Approximately 85% of this increase is attributable to the business type activities of the utility funds.
- As of the close of the current fiscal year, the City of Zeeland's governmental funds reported combined ending fund balances of \$6,012,385, an increase of \$391,138 in comparison with the prior year. Most funds increased fund balance however the Local Street Fund decreased \$196,359 due to street paving and reconstruction projects. City Debt Funds decreased \$26,779 due to budgeted spending down of fund balance. Approximately 82% of the fund balance, \$4,925,931 is *available for spending* at the City's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$2,675,953 or 46% of total general fund expenditures and transfers out.
- The City's total debt decreased by \$1,315,000 (7.76%) during the current fiscal year to a total of \$15,620,000. No new debt was incurred.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Zeeland is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued interest payable).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, community and economic development, and recreation and culture. The business-type activities of the City include electric, water and clean water operations.

The government-wide financial statements can be found on pages 1-3 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories, governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Following the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances, reconciliations are provided to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains nineteen (19) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Major Streets, and Local Streets Funds. Each of these funds is considered to be a major fund. The City of Zeeland has sixteen (16) nonmajor funds. These include eight (8) special revenue funds, three (3) debt service funds, four (4) capital projects funds and one (1) permanent fund. The permanent fund is used to record the activity of the Cemetery Trust. Data from the sixteen nonmajor governmental funds are combined into a single aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General, Major Streets and Local Streets Funds. Budgetary comparison statements have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 4-6 of this report.

Proprietary funds. The City maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its electric, water and clean water operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its vehicle and equipment maintenance activities, building maintenance activities and health-care self-insurance. Because these services predominantly benefit governmental rather than business-type functions, the assets and liabilities of the internal service funds have been included within *governmental activities* in the government-wide statement of net assets.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric, Water, and Clean Water Utility Funds, all of which are considered to be major funds of the City. Conversely, the internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 7-9 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for the proprietary funds. The City accounts for two types of fiduciary funds – pension trust funds and agency funds.

The City of Zeeland's pension trust fund accounts for the activities of the City's defined benefit pension plan for eligible employees. In addition, the City maintains three agency funds to account for tax collections and related payments, employee Section 125 benefits, as well as refundable customer deposits.

The basic fiduciary fund financial statements can be found on pages 10-11 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12-28 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* presenting the City of Zeeland's budgetary comparison schedules for its General Fund and major special revenue funds (Major Street Fund and Local Street Fund). Required supplementary information can be found on pages 29-33 of this report.

The combining statements referred to earlier in connection with the nonmajor governmental funds, internal service funds, and agency funds are presented immediately following the required supplementary information. Combining statements and individual nonmajor governmental fund budgetary comparison schedules can be found on pages 35-54 of this report.

Immediately following the combining statements is a statistical section which provides certain information pertaining to general government revenues, expenditures, tax revenues and collections, demographics and other statistical data.

Government-wide Financial Analysis

Net Assets - As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Zeeland, assets exceeded liabilities by \$102,343,467 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (57%) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Zeeland's Net Assets

	Governmental		Business-Type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 9,224,522	\$ 8,728,062	\$ 38,366,855	\$ 34,036,604	\$ 47,591,377	\$ 42,764,666
Capital assets	22,787,336	22,884,067	51,210,859	50,788,589	73,998,195	73,672,656
Total assets	32,011,858	31,612,129	89,577,714	84,825,193	121,589,572	116,437,322
Long-term debt outstanding	4,115,000	4,450,000	11,505,000	12,485,000	15,620,000	16,935,000
Other liabilities	632,442	860,962	2,993,663	2,593,055	3,626,105	3,454,017
Total liabilities	4,747,442	5,310,962	14,498,663	15,078,055	19,246,105	20,389,017
Net assets:						
Invested in capital assets, net of related debt	18,672,336	18,434,067	39,705,859	38,303,589	58,378,195	56,737,656
Restricted	1,079,221	1,049,329	1,567,500	1,567,500	2,646,721	2,616,829
Unrestricted	7,512,859	6,817,771	33,805,692	29,876,049	41,318,551	36,693,820
Total net assets	\$ 27,264,416	\$ 26,301,167	\$ 75,079,051	\$ 69,747,138	\$ 102,343,467	\$ 96,048,305

An additional portion of the City's net assets (2.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$41,318,551) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Change in Net Assets - The City of Zeeland's net assets increased by \$6,295,162 during the current fiscal year. 15% of this increase, \$963,249, is related to the governmental activities. The other 85%, \$5,331,913, is associated with the business-type activities.

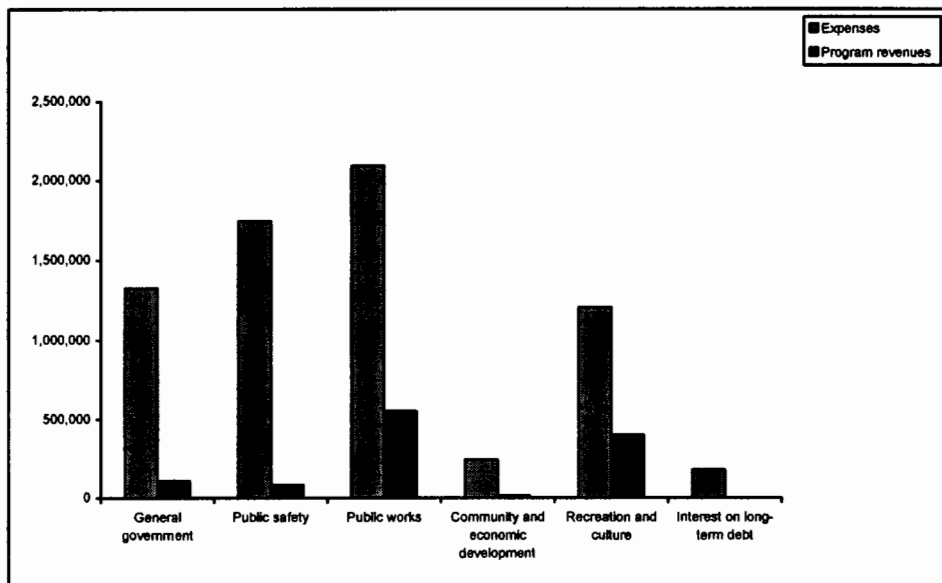
City of Zeeland's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Program revenues						
Charges for services	\$ 297,233	\$ 352,432	\$ 26,041,965	\$ 23,454,495	\$ 26,339,198	\$ 23,806,927
Operating grants and contributions	754,826	747,704	-	-	754,826	747,704
Capital grants and contributions	100,284	794,026	554,735	369,125	655,019	1,163,151
General revenues						
Property taxes	4,895,267	4,504,467	-	-	4,895,267	4,504,467
State shared revenues	546,150	549,155	-	-	546,150	549,155
Interest	467,117	530,023	1,299,615	1,504,509	1,766,732	2,034,532
Gain on sale of capital assets	24,174	29,790	9,145	28,614	33,319	58,404
Other	112,547	49,821	109,485	101,758	222,032	151,579
Total revenues	<u>7,197,598</u>	<u>7,557,418</u>	<u>28,014,945</u>	<u>25,458,501</u>	<u>35,212,543</u>	<u>33,015,919</u>
Program expenses						
General government	1,325,574	1,397,008	-	-	1,325,574	1,397,008
Public safety	1,744,568	1,590,617	-	-	1,744,568	1,590,617
Public works	2,093,787	2,187,110	-	-	2,093,787	2,187,110
Community and economic development	240,532	190,998	-	-	240,532	190,998
Recreation and culture	1,205,154	1,119,817	-	-	1,205,154	1,119,817
Interest on long-term debt	177,673	190,276	-	-	177,673	190,276
Electric	-	-	17,991,250	14,486,594	17,991,250	14,486,594
Water	-	-	2,808,641	2,689,487	2,808,641	2,689,487
Clean water	-	-	1,364,377	1,249,739	1,364,377	1,249,739
Total expenses	<u>6,787,288</u>	<u>6,675,826</u>	<u>22,164,268</u>	<u>18,425,820</u>	<u>28,951,556</u>	<u>25,101,646</u>
Change before contributions and transfers	410,310	881,592	5,850,677	7,032,681	6,260,987	7,914,273
Contributions to permanent funds	34,175	47,250	-	-	34,175	47,250
Transfers in (out)	<u>518,764</u>	<u>347,600</u>	<u>(518,764)</u>	<u>(347,600)</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>\$ 963,249</u>	<u>\$ 1,276,442</u>	<u>\$ 5,331,913</u>	<u>\$ 6,685,081</u>	<u>\$ 6,295,162</u>	<u>\$ 7,961,523</u>

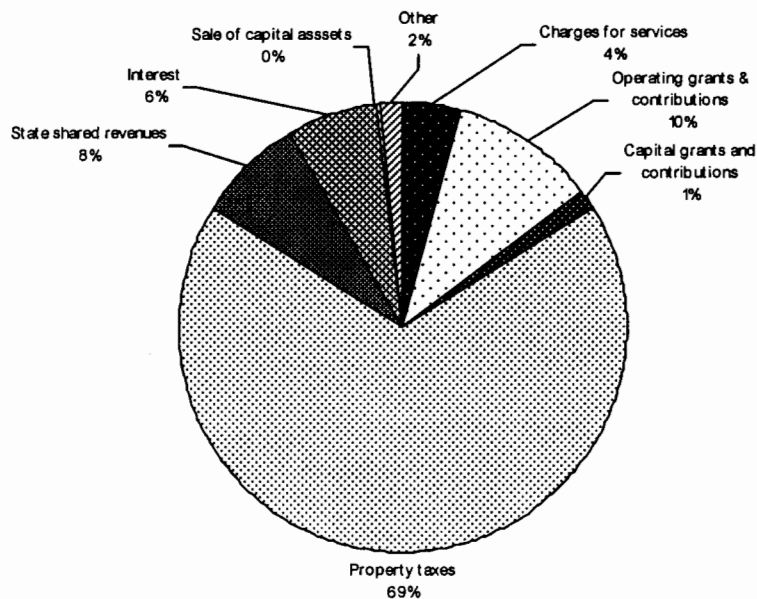
Governmental activities. Although revenue decreased while expenses increased from the prior year, the City's net assets increased by \$963,249 in the governmental activities, accounting for 15% of the total growth in the net assets of the City. Key elements of this increase are as follows:

- Due to conservative budget practices, revenues exceeded expenditures in most governmental activities.
- Property tax revenue increased by \$390,800 (8.7%) from the prior year.
- An administrative charge-back to the General Fund from the Clean Water Fund was instituted. This transfer of \$93,964 reimburses the General Fund for services provided.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



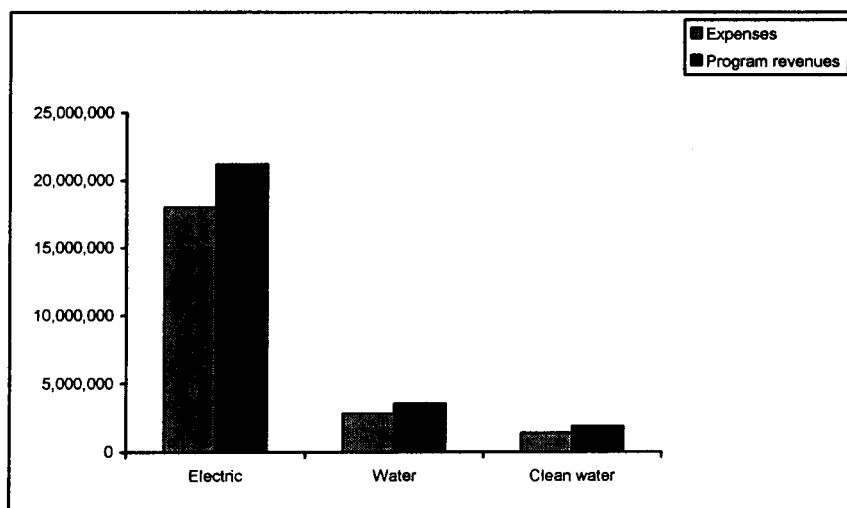
For the most part, increases in expenses closely paralleled inflation. A couple noteworthy exceptions are:

- Development and roll out of the City's new marketing campaign "Feel the Zeel" was a new expense of \$73,000.
- Street reconstruction and mill and resurface expenditures increased \$339,000, or 35%, over the prior year. This was due in part to the rising cost of asphalt but also due to scheduling of street projects from year to year as well as fluctuations in grant funds available to us.

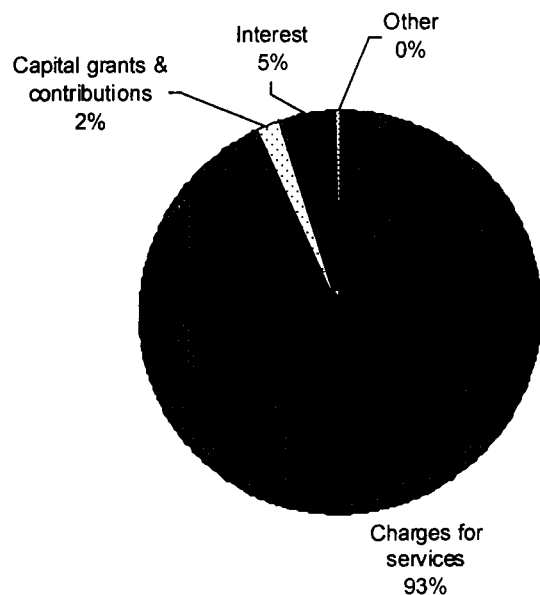
Business-type activities. Business-type activities increased the City of Zeeland's net assets by \$5,331,913, accounting for 85% of the total growth in the government's net assets. Key elements of this increase are as follows:

- The electric utility recorded its highest ever annual electrical sales volume of 314.4 million kilowatt-hours, a 0.7% increase above Fiscal Year 2007. Electric operating revenues increased \$2,524,574, or 13.7%.
- A Community Development Block Grant funded \$470,488 in new infrastructure for the electric and clean water utilities.
- The water utility had annual water sales volume of 1.4 billion gallons, an increase of 1.9% above Fiscal Year 2007. Water operating revenues increased by \$137,122 or 4.1%.

Expenses and Program Revenues-Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6,012,385, an increase of \$391,138 from the prior year. Approximately 82% of this amount (\$4,925,931) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed (1) for prepaid items that will be used in the following year (\$7,233), (2) to purposes related to the library (\$53,011), (3) to pay debt service (\$57,745), and (4) for the maintenance of the City of Zeeland's cemetery (\$760,753 non-expendable and \$207,712 expendable).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year unreserved fund balance of the General Fund was \$2,675,953, while total fund balance was \$2,680,550. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance (\$2,675,953) represents 45.6% of total General Fund expenditures and transfers out (\$5,870,927).

The fund balance of the City's General Fund increased by \$347,849 during the current fiscal year compared to an increase of \$100,753 in the prior year. Key factors to this increase are:

- Tax revenues increased by \$367,986 or 8.5%, largely due to expired Industrial Facilities Tax abated (IFT) properties coming onto the ad valorem roll.
- The Clean Water Utility, for the first time, paid an administrative charge-back of \$93,964 to the General Fund. Transfers to the General Fund increased \$171,164, or 49.2%, in total over the prior year.
- Charges for services decreased by \$13,883 or 22.7%.
- Expenditures increased by \$227,175 or 6.4%.
- Economic Development expenditures increased by \$58,319, or 55.1%, as a result of actively marketing the City.
- The City continues to aggressively improve its street and public places. Transfers out to other funds increased by \$73,000 or 3.7% over the prior year for a total of \$2,068,000.

The Major Street Fund has a total fund balance of \$473,443, an increase of \$237,676 during the year. Net transfers in from the General Fund increased by \$580,000 from the prior year for a total of \$750,000. The increase was to fund Phase I reconstruction of West Main Street and to install traffic signals at the intersection of Main and State Streets.

The Local Street Fund has a total fund balance of \$416,492, a decrease of \$196,359 during the year. Net transfers in from the General Fund decreased by \$555,000 from the prior year for a total of \$585,000.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements (business-type activities), but in more detail.

Unrestricted net assets of the Electric, Water and Clean Water Utility Funds at the end of the year amounted to \$23,698,254, \$4,404,255 and \$5,139,817, respectively. Increases in the Electric, Water, and Clean Water Utility Funds net assets during the current year were \$3,576,828, \$985,191 and \$662,935, respectively. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

During the year there was an \$86,405 increase in appropriations between the original and final amended budgets. While several activity budgets were amended to take into account events during the year, the most significant was an additional \$37,000 appropriation to the Transit Authority. This represented an extra one-time quarterly payment to line up the quarterly payment schedule to actual activity within the fiscal year. Transfers from the General Fund increased by \$33,000, to a total of \$2,068,000, largely due to cost increases in snow plowing and salting of the municipal parking lots. City operational departments stayed below budget overall, resulting in total expenditures \$165,661 below the final budget.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2008 amounted to \$73,998,195 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, and street and sidewalks. The City's investment in capital assets for the current fiscal year decreased \$96,731 (.4%) for governmental activities and increased \$422,270 (.8%) for business-type activities.

Major capital asset events during the current fiscal year included the following:

- Street, sidewalk and bike-path construction projects amounted to \$1,221,673.
- \$116,810 was expended in technology upgrades.
- The Washington power plant substation transformer was replaced for \$956,334.
- Expansion and system improvements to the water distribution system amounted to \$526,299.

Additional information on the City's capital assets can be found in note 3C on pages 21-22 of this report.

City of Zeeland's Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 1,342,797	\$ 1,342,815	\$ 1,387,030	\$ 1,382,369	\$ 2,729,827	\$ 2,725,184
Construction in progress	516,371	2,960,697	1,191,018	1,372,045	1,707,389	4,332,742
Land improvements	940,808	426,884	182,614	219,408	1,123,422	646,292
Buildings and improvements	8,311,961	6,413,530	3,721,889	3,096,089	12,033,850	9,509,619
Systems	-	-	44,396,886	44,320,521	44,396,886	44,320,521
Machinery, equipment, vehicles	1,889,817	1,893,982	331,422	398,157	2,221,239	2,292,139
Infrastructure	9,785,582	9,846,159	-	-	9,785,582	9,846,159
Total	\$ 22,787,336	\$ 22,884,067	\$ 51,210,859	\$ 50,788,589	\$ 73,998,195	\$ 73,672,656

Long-term debt. At the end of the current fiscal year, the City had total installment debt outstanding of \$15,620,000. Of this amount, \$4,115,000 comprises debt backed by the full faith and credit of the government. The remainder of the City's debt represents bonds secured by specified revenue sources.

City of Zeeland's Outstanding Debt
General Obligation and Revenue Bonds

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$ 4,115,000	\$ 4,410,000	\$ -	\$ -	\$ 4,115,000	\$ 4,410,000
Michigan transportation bonds	-	40,000	-	-	-	40,000
Revenue bonds	-	-	11,505,000	12,485,000	11,505,000	12,485,000
Total	\$ 4,115,000	\$ 4,450,000	\$ 11,505,000	\$ 12,485,000	\$ 15,620,000	\$ 16,935,000

General obligation debt decreased by a net amount of \$335,000 while revenue bond debt decreased by a net amount of \$980,000 during the current year. This was a result of the City making its required scheduled debt payments and incurring no new debt. The City maintains an "A" rating from Standard & Poor's for its general obligation debt while the revenue bonds of the Board of Public Works have been rated "A-" by Standard & Poor's. The Electric Utility has a bond rating of A1 from Moody's Investor Service. The Water Utility Moody's Investor Service underlying bond rating is A3.

State statutes limit the amount of general obligation debt the City may issue to 10 percent of the state equalized value of taxable property in the City. The current debt limitation for the City is \$57,942,020, which is significantly in excess of the City's outstanding general obligation debt.

Additional information on the City's long-term debt can be found in Note 3E on pages 24-25 of this report.

Economic Factors and Next Year's Budgets and Rates

- Unemployment in the Metropolitan Statistical Area is 7.2% while the State of Michigan overall is at 8.7% (June 2008, not seasonally adjusted). It is important to note that the economy in Zeeland is continuing to grow due to world-wide demand for the diverse products manufactured here. Two of Ottawa County's three largest manufacturing employers are within the City and the City's largest five employers manufacture product in five separate sectors, namely transportation, furniture, glass, food, and specialty clocks. Our largest employer is planning a \$43 million expansion and adding 120 jobs. A new employer is relocating here and plans to hire 580 white-collar workers by 2013. More than double the City's population is employed within its three square miles.
- While the economy of the City remains strong, the City continues its focused effort to actively market the City as a great place to live and do business. Next year's budget reflects both traditional and non-traditional forms of marketing which will assist in strengthening the city's new brand: Zeeland-Feel the Zeel. Next year's marketing will include general brand awareness achieved through media advertizing and print material, as well as a specific effort towards business recruitment to revitalize our downtown core.
- Capital projects planned in next year's budgets total over \$5.26 million. Major projects include \$2.42 million in street improvements and \$2.33 million in public utility improvements.

- Next year's general fund budget was balanced without using fund balance and without increasing the tax rate. The City's tax rate continues to be lower than fourteen out of sixteen similar sized communities surveyed in the West Michigan area.
- Both the Water and Sewer Utilities rates were increased for the 2009 budget year. Commodity rates for water increased from \$1.50/CCF to \$1.55/CCF for non-contractual customers. This resulted in a 2.45% increase for the typical residential monthly water bill. Contractual users experienced a 3% rate increase. Commodity rates for sewage treatment increased from \$2.60/CCF to \$2.72/CCF and the Ready-to-Serve rate increased from \$6.90 to \$7.70. This resulted in a 6.5% increase for the typical residential sewage bill. If rates were averaged over the last seven years this equates to an average 1.2% increase per year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Finance Director, 21 South Elm Street, Zeeland, MI 49464.

Basic Financial Statements

City of Zeeland, Michigan
STATEMENT OF NET ASSETS
June 30, 2008

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and investments	\$ 9,436,580	\$ 26,156,920	\$ 35,593,500
Receivables:			
Accounts	79,299	2,754,692	2,833,991
Interest	38,522	150,505	189,027
Due from other governments	173,814	216,804	390,618
Internal balances	(563,366)	563,366	-
Inventories	-	386,726	386,726
Prepaid items	59,673	291,575	351,248
Deposits with MPPA	-	3,307,360	3,307,360
Deposits with MPIA	-	2,971,407	2,971,407
Restricted cash - revenue bond covenant accounts	-	1,567,500	1,567,500
Capital assets not being depreciated:			
Land	1,342,797	1,387,030	2,729,827
Construction in progress	516,371	1,191,018	1,707,389
Capital assets net of accumulated depreciation			
Land improvements	940,808	182,614	1,123,422
Buildings and improvements	8,311,961	3,721,889	12,033,850
Systems	-	44,396,886	44,396,886
Machinery and equipment	1,889,817	331,422	2,221,239
Infrastructure	9,785,582	-	9,785,582
Total Assets	32,011,858	89,577,714	121,589,572
LIABILITIES			
Accounts payable	544,933	2,831,281	3,376,214
Accrued payroll	47,116	45,595	92,711
Accrued interest payable	40,393	116,787	157,180
Noncurrent liabilities:			
Due within one year	305,000	1,020,000	1,325,000
Due in more than one year	3,810,000	10,485,000	14,295,000
Total Liabilities	4,747,442	14,498,663	19,246,105
NET ASSETS			
Invested in capital assets, net of related debt	18,672,336	39,705,859	58,378,195
Restricted for:			
Library	53,011	-	53,011
Debt service	57,745	1,567,500	1,625,245
Perpetual care-nonexpendable	760,753	-	760,753
Perpetual care-expendable	207,712	-	207,712
Unrestricted	7,512,859	33,805,692	41,318,551
Total Net Assets	\$ 27,264,416	\$ 75,079,051	\$ 102,343,467

City of Zeeland, Michigan
STATEMENT OF ACTIVITIES
Year Ended June 30, 2008

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Function/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 1,325,574	\$ 109,630	\$ -	\$ -
Public safety	1,744,568	81,539	1,092	-
Public works	2,093,787	27,867	423,398	100,284
Community and economic development	240,532	11,910	-	-
Recreation and culture	1,205,154	66,287	330,336	-
Interest on long-term debt	177,673	-	-	-
Total Governmental Activities	<u>6,787,288</u>	<u>297,233</u>	<u>754,826</u>	<u>100,284</u>
Business-type activities:				
Electric	17,991,250	20,933,353	-	251,385
Water	2,808,641	3,487,286	-	49,644
Clean water	1,364,377	1,621,326	-	253,706
Total Business-type Activities	<u>22,164,268</u>	<u>26,041,965</u>	<u>-</u>	<u>554,735</u>
Total Primary Government	<u>\$ 28,951,556</u>	<u>\$ 26,339,198</u>	<u>\$ 754,826</u>	<u>\$ 655,019</u>

General revenues:
Property taxes
Unrestricted state shared revenues
Interest
Gain on sale of capital assets
Other
Contributions to permanent funds
Transfers

Total General Revenues,
Contributions and Transfers

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

**Net (Expense) Revenue
and Changes in Net Assets**

<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
\$ (1,215,944)	\$ -	\$ (1,215,944)
(1,661,937)	-	(1,661,937)
(1,542,238)	-	(1,542,238)
(228,622)	-	(228,622)
(808,531)	-	(808,531)
(177,673)	-	(177,673)
<u>(5,634,945)</u>	<u>-</u>	<u>(5,634,945)</u>
-	3,193,488	3,193,488
-	728,289	728,289
-	510,655	510,655
<u>-</u>	<u>4,432,432</u>	<u>4,432,432</u>
<u>(5,634,945)</u>	<u>4,432,432</u>	<u>(1,202,513)</u>
4,895,267	-	4,895,267
546,150	-	546,150
467,117	1,299,615	1,766,732
24,174	9,145	33,319
112,547	109,485	222,032
34,175	-	34,175
518,764	(518,764)	-
<u>6,598,194</u>	<u>899,481</u>	<u>7,497,675</u>
963,249	5,331,913	6,295,162
<u>26,301,167</u>	<u>69,747,138</u>	<u>96,048,305</u>
<u>\$ 27,264,416</u>	<u>\$ 75,079,051</u>	<u>\$ 102,343,467</u>

City of Zeeland, Michigan
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2008

	General Fund	Major Street Fund	Local Street Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 2,652,883	\$ 655,130	\$ 517,623	\$ 2,450,517	\$ 6,276,153
Receivables:					
Accounts	31,796	-	1,500	7,788	41,084
Interest	7,935	1,734	1,467	16,416	27,552
Due from other governments	106,294	46,163	16,326	5,031	173,814
Prepaid items	<u>4,597</u>	<u>1,017</u>	<u>1,258</u>	<u>361</u>	<u>7,233</u>
 Total Assets	 <u>\$ 2,803,505</u>	 <u>\$ 704,044</u>	 <u>\$ 538,174</u>	 <u>\$ 2,480,113</u>	 <u>\$ 6,525,836</u>
LIABILITIES					
Accounts payable	\$ 92,501	\$ 228,015	\$ 119,111	\$ 30,628	\$ 470,255
Accrued payroll	<u>30,454</u>	<u>2,586</u>	<u>2,571</u>	<u>7,585</u>	<u>43,196</u>
 Total Liabilities	 <u>122,955</u>	 <u>230,601</u>	 <u>121,682</u>	 <u>38,213</u>	 <u>513,451</u>
FUND BALANCES					
Reserved:					
Prepaid items	4,597	1,017	1,258	361	7,233
Library	-	-	-	53,011	53,011
Debt service	-	-	-	57,745	57,745
Perpetual care-nonexpendable	-	-	-	760,753	760,753
Perpetual care-expendable	-	-	-	207,712	207,712
Unreserved-reported in:					
General Fund	2,675,953	-	-	-	2,675,953
Special Revenue Funds	-	472,426	415,234	560,604	1,448,264
Debt Service Funds	-	-	-	34	34
Capital Projects Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>801,680</u>	<u>801,680</u>
 Total Fund Balances	 <u>2,680,550</u>	 <u>473,443</u>	 <u>416,492</u>	 <u>2,441,900</u>	 <u>6,012,385</u>
 Total Liabilities and Fund Balances	 <u>\$ 2,803,505</u>	 <u>\$ 704,044</u>	 <u>\$ 538,174</u>	 <u>\$ 2,480,113</u>	

Amount reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds:

 General capital assets 8,935,178

 Infrastructure assets 9,785,582

Prepaid items 51,465

Interest accrued on outstanding bonds is not reported in the funds (40,393)

Long term liabilities are not due and payable in the current period and are not reported in the funds (4,115,000)

Internal Service Funds are included as part of governmental activities 6,635,199

Net Assets of Governmental Activities \$ 27,264,416

See Notes to Financial Statements

City of Zeeland, Michigan
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2008

	General Fund	Major Street Fund	Local Street Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 4,678,138	\$ -	\$ -	\$ 217,129	\$ 4,895,267
Licenses and permits	117,276	-	-	-	117,276
Federal grants	-	-	-	23,051	23,051
State shared revenues	547,242	297,598	125,800	10,005	980,645
Local unit contributions	-	-	-	286,014	286,014
Charges for services	47,144	250	1,675	46,583	95,652
Fines and forfeitures	32,453	-	-	29,361	61,814
Interest and rent	231,595	17,468	16,734	152,347	418,144
Other	46,164	140	25,000	131,719	203,023
Total Revenues	<u>5,700,012</u>	<u>315,456</u>	<u>169,209</u>	<u>896,209</u>	<u>7,080,886</u>
Expenditures:					
Current:					
General government	1,253,876	-	-	173	1,254,049
Public safety	1,678,483	-	-	-	1,678,483
Public works	275,387	789,379	950,568	228,356	2,243,690
Community and economic development	209,500	-	-	35,489	244,989
Recreation and culture	216,022	-	-	867,925	1,083,947
Insurance and other	11,923	-	-	-	11,923
Capital outlay	-	-	-	186,055	186,055
Debt service:					
Principal	75,000	-	-	260,000	335,000
Interest	82,736	-	-	87,640	170,376
Total Expenditures	<u>3,802,927</u>	<u>789,379</u>	<u>950,568</u>	<u>1,665,638</u>	<u>7,208,512</u>
Excess of Revenues Over (Under) Expenditures	<u>1,897,085</u>	<u>(473,923)</u>	<u>(781,359)</u>	<u>(769,429)</u>	<u>(127,626)</u>
Other Financing Sources (Uses):					
Transfers in	518,764	750,000	585,000	771,401	2,625,165
Transfers out	(2,068,000)	(38,401)	-	-	(2,106,401)
Total Other Financing Sources (Uses)	<u>(1,549,236)</u>	<u>711,599</u>	<u>585,000</u>	<u>771,401</u>	<u>518,764</u>
Net Change in Fund Balances	<u>347,849</u>	<u>237,676</u>	<u>(196,359)</u>	<u>1,972</u>	<u>391,138</u>
Fund Balances - July 1	<u>2,332,701</u>	<u>235,767</u>	<u>612,851</u>	<u>2,439,928</u>	<u>5,621,247</u>
Fund Balances - June 30	<u>\$ 2,680,550</u>	<u>\$ 473,443</u>	<u>\$ 416,492</u>	<u>\$ 2,441,900</u>	<u>\$ 6,012,385</u>

City of Zeeland, Michigan
**RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
 Year Ended June 30, 2008

Net change in fund balances-Total Governmental Funds	\$ 391,138
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Amounts reported for the governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; in the statement of activities these costs are allocated over their estimated useful lives as depreciation:

Current year capital outlays capitalized	1,448,820
Current year depreciation expense on capitalized assets	(1,435,330)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items is as follows:

Amortization of deferred bond refunding loss/issuance costs/premiums/discounts	(10,679)
Principal payments on long-term debt	335,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due	3,382
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Internal service funds are used by management to charge the costs of certain activities, such as insurance and equipment rental, to individual funds. The net revenue (expenses) of certain internal service funds is reported with governmental activities	230,918
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Change in net assets of governmental activities	\$ <u>963,249</u>
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City of Zeeland, Michigan
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2008

	Enterprise Funds				Internal Service Funds
	Electric Utility	Water Utility	Clean Water Utility	Total	
ASSETS					
Current Assets:					
Cash and investments	\$ 16,946,349	\$ 4,141,459	\$ 5,069,112	\$ 26,156,920	\$ 3,160,427
Receivables:					
Accounts	2,255,097	352,253	147,342	2,754,692	38,215
Interest	94,212	20,374	35,919	150,505	10,970
Due from other governments	-	-	216,804	216,804	-
Inventories	305,440	81,286	-	386,726	-
Prepaid items	145,589	144,267	1,719	291,575	975
Deposits with MPPA	3,307,360	-	-	3,307,360	-
Deposits with MPIA	2,971,407	-	-	2,971,407	-
Total Current Assets	<u>26,025,454</u>	<u>4,739,639</u>	<u>5,470,896</u>	<u>36,235,989</u>	<u>3,210,587</u>
Noncurrent Assets:					
Restricted cash - Revenue bond covenant accounts	<u>663,000</u>	<u>904,500</u>	<u>-</u>	<u>1,567,500</u>	<u>-</u>
Capital assets:					
Land	953,713	122,611	310,706	1,387,030	225,000
Construction in progress	156,665	265,575	768,778	1,191,018	-
Land improvements	457,971	160,475	129,781	748,227	105,710
Buildings and improvements	4,061,314	780,934	1,025,852	5,868,100	2,118,625
Systems	43,403,344	21,429,943	12,540,653	77,373,940	-
Machinery and equipment	1,013,006	132,687	43,897	1,189,590	3,035,707
Less accumulated depreciation	<u>(22,620,325)</u>	<u>(7,694,692)</u>	<u>(6,232,029)</u>	<u>(36,547,046)</u>	<u>(1,418,466)</u>
Total Capital Assets	<u>27,425,688</u>	<u>15,197,533</u>	<u>8,587,638</u>	<u>51,210,859</u>	<u>4,066,576</u>
Total Noncurrent Assets	<u>28,088,688</u>	<u>16,102,033</u>	<u>8,587,638</u>	<u>52,778,359</u>	<u>4,066,576</u>
Total Assets	<u>54,114,142</u>	<u>20,841,672</u>	<u>14,058,534</u>	<u>89,014,348</u>	<u>7,277,163</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	2,261,507	247,734	322,040	2,831,281	74,678
Accrued payroll	29,027	7,529	9,039	45,595	3,920
Accrued interest payable	36,666	80,121	-	116,787	-
Current portion of long-term debt	<u>410,000</u>	<u>610,000</u>	<u>-</u>	<u>1,020,000</u>	<u>-</u>
Total Current Liabilities	<u>2,737,200</u>	<u>945,384</u>	<u>331,079</u>	<u>4,013,663</u>	<u>78,598</u>
Noncurrent Liabilities:					
Long-term debt, net of current portion	<u>3,750,000</u>	<u>6,735,000</u>	<u>-</u>	<u>10,485,000</u>	<u>-</u>
Total Liabilities	<u>6,487,200</u>	<u>7,680,384</u>	<u>331,079</u>	<u>14,498,663</u>	<u>78,598</u>
NET ASSETS					
Invested in capital assets, net of related debt	23,265,688	7,852,533	8,587,638	39,705,859	4,066,576
Restricted for debt service	663,000	904,500	-	1,567,500	-
Unrestricted	<u>23,698,254</u>	<u>4,404,255</u>	<u>5,139,817</u>	<u>33,242,326</u>	<u>3,131,989</u>
Total Net Assets	<u>\$ 47,626,942</u>	<u>\$ 13,161,288</u>	<u>\$ 13,727,455</u>	<u>74,515,685</u>	<u>\$ 7,198,565</u>
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds				<u>563,366</u>	
Net assets of business-type activities				<u>\$ 75,079,051</u>	

City of Zeeland, Michigan
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2008

	Enterprise Funds			Internal Service Funds
	Electric Utility	Water Utility	Clean Water Utility	Total
Operating Revenues:				
Electric sales	\$ 20,872,508	\$ -	\$ -	\$ 20,872,508
Water sales	-	3,476,026	-	3,476,026
Sewage disposal charges	-	-	1,616,629	1,616,629
Charges for services	-	-	-	-
Other revenues	60,845	11,260	4,697	76,802
Total Operating Revenues	<u>20,933,353</u>	<u>3,487,286</u>	<u>1,621,326</u>	<u>26,041,965</u>
Operating Expenses:				
Electric production and purchases	14,560,041	-	-	14,560,041
Water purchases	-	1,031,594	-	1,031,594
Waste treatment	-	-	629,636	629,636
Transmission and distribution	678,439	525,322	91,585	1,295,346
Customer accounts	289,486	136,827	136,857	563,170
Supplies and other operating expenses	-	-	-	-
General and administrative	511,315	158,419	215,366	885,100
Depreciation	1,849,656	614,914	313,216	2,777,786
Total Operating Expenses	<u>17,888,937</u>	<u>2,467,076</u>	<u>1,386,660</u>	<u>21,742,673</u>
Operating Income	<u>3,044,416</u>	<u>1,020,210</u>	<u>234,666</u>	<u>4,299,292</u>
Nonoperating Revenues (Expenses)				
Interest income	812,280	218,808	268,527	1,299,615
Interest expense	(169,163)	(359,391)	-	(528,554)
Gain on sale of capital assets	9,145	-	-	9,145
Other	53,565	55,920	-	109,485
Total Nonoperating Revenues (Expenses)	<u>705,827</u>	<u>(84,663)</u>	<u>268,527</u>	<u>889,691</u>
Income Before Contributions and Transfers	<u>3,750,243</u>	<u>935,547</u>	<u>503,193</u>	<u>5,188,983</u>
Capital contributions	251,385	49,644	253,706	554,735
Transfers out	<u>(424,800)</u>	<u>-</u>	<u>(93,964)</u>	<u>(518,764)</u>
Change in Net Assets	<u>3,576,828</u>	<u>985,191</u>	<u>662,935</u>	<u>5,224,954</u>
Net Assets - July 1	<u>44,050,114</u>	<u>12,176,097</u>	<u>13,064,520</u>	<u>4,371,414</u>
Net Assets - June 30	<u>\$ 47,626,942</u>	<u>\$ 13,161,288</u>	<u>\$ 13,727,455</u>	<u>\$ 7,198,565</u>
Adjustment to reflect the consolidation of internal service funds activities to enterprise funds				<u>106,959</u>
Change in net assets of business-type activities				<u>\$ 5,331,913</u>

City of Zeeland, Michigan
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2008

	Enterprise Funds				Internal Service Funds
	Electric Utility	Water Utility	Clean Water Utility	Total	
Cash Flows From Operating Activities:					
Receipts from customers	\$ 20,777,454	\$ 3,493,510	\$ 1,635,975	\$ 25,906,939	\$ -
Payments to suppliers	(15,695,600)	(1,600,497)	(480,268)	(17,776,365)	(1,465,920)
Payments to employees	(1,220,121)	(326,270)	(364,980)	(1,911,371)	(174,281)
Received from interfund charges	-	-	-	-	2,046,556
Other receipts (payments)	53,565	55,920	-	109,485	38,324
Net Cash Provided By Operating Activities	<u>3,915,298</u>	<u>1,622,663</u>	<u>790,727</u>	<u>6,328,688</u>	<u>444,679</u>
Cash Flows From Noncapital Financing Activities:					
Transfers from/to other funds	(424,800)	-	(93,964)	(518,764)	-
Cash Flows From Capital and Related Financing Activities:					
Capital contributions	251,385	223,639	104,659	579,683	-
Acquisition and construction of capital assets	(1,639,068)	(587,690)	(1,024,998)	(3,251,756)	(181,032)
Principal paid on capital debt	(395,000)	(585,000)	-	(980,000)	-
Interest paid on capital debt	(151,946)	(332,195)	-	(484,141)	-
Proceeds from sale of capital assets	60,845	-	-	60,845	24,174
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(1,873,784)</u>	<u>(1,281,246)</u>	<u>(920,339)</u>	<u>(4,075,369)</u>	<u>(156,858)</u>
Cash Flows From Investing Activities:					
Interest received on investments	777,608	216,326	261,976	1,255,910	124,525
Net Increase (Decrease) in Cash and Investments	2,394,322	557,743	38,400	2,990,465	412,346
Cash and Investments - July 1	<u>15,215,027</u>	<u>4,488,216</u>	<u>5,030,712</u>	<u>24,733,955</u>	<u>2,748,082</u>
Cash and Investments - June 30	<u>\$ 17,609,349</u>	<u>\$ 5,045,959</u>	<u>\$ 5,069,112</u>	<u>\$ 27,724,420</u>	<u>\$ 3,160,428</u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:					
Operating income	\$ 3,044,416	\$ 1,020,210	\$ 234,666	\$ 4,299,292	\$ 186,990
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	1,849,656	614,914	313,216	2,777,786	291,253
Other nonoperating income (expense)	53,565	55,920	-	109,485	-
Change in assets and liabilities:					
Receivables	(155,899)	6,224	14,649	(135,026)	(38,215)
Inventories	644	(22,635)	-	(21,991)	-
Prepaid items and deposits	(1,109,457)	138	4	(1,109,315)	(173)
Accounts payable	225,621	(53,878)	226,226	397,969	4,079
Accrued and other liabilities	6,752	1,770	1,966	10,488	745
Net Cash Provided By Operating Activities	<u>\$ 3,915,298</u>	<u>\$ 1,622,663</u>	<u>\$ 790,727</u>	<u>\$ 6,328,688</u>	<u>\$ 444,679</u>
Cash and investments:					
Cash and investments	\$ 16,946,349	\$ 4,141,459	\$ 5,069,112	\$ 26,156,920	\$ 3,160,428
Revenue bond covenant accounts	663,000	904,500	-	1,567,500	-
	<u>\$ 17,609,349</u>	<u>\$ 5,045,959</u>	<u>\$ 5,069,112</u>	<u>\$ 27,724,420</u>	<u>\$ 3,160,428</u>
Noncash capital financing activities:					
Contribution of capital assets from other funds	\$ -	\$ -	\$ -	\$ -	\$ 2,489,274

See Notes to Financial Statements

City of Zeeland, Michigan
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2008

	Defined Benefit Pension Trust Fund	Agency Funds
ASSETS		
Cash and investments	\$ 213	\$ 129,584
Investments:		
Money market funds	280,898	-
U.S. government securities	1,077,222	-
Stocks	3,042,501	-
Bonds	536,361	-
Employer contributions receivable	8,841	-
Accrued interest receivable	<u>13,984</u>	<u>-</u>
 Total Assets	 <u>4,960,020</u>	 <u>\$ 129,584</u>
LIABILITIES		
Customer deposits	-	\$ 127,398
Accounts payable	-	386
Due to other governments	<u>-</u>	<u>1,800</u>
 Total Liabilities	 <u>-</u>	 <u>\$ 129,584</u>
NET ASSETS		
Held in Trust for Pension Benefits	<u>\$ 4,960,020</u>	

City of Zeeland, Michigan
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended June 30, 2008

	Defined Benefit Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 224,870
Employee	4,464
Total Contributions	<u>229,334</u>
Investment earnings:	
Net appreciation (depreciation) in fair value of investments	(386,086)
Interest	65,780
Dividends	81,177
Miscellaneous income	2,571
Net Investment Earnings	<u>(236,558)</u>
Total Additions	<u>(7,224)</u>
DEDUCTIONS	
Benefit payments	254,090
Administrative expense	60,051
Total Deductions	<u>314,141</u>
Change in Net Assets	(321,365)
Net Assets - July 1	<u>5,281,385</u>
Net Assets - June 30	<u>\$ 4,960,020</u>

City of Zeeland, Michigan
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Zeeland conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the City of Zeeland:

A. Reporting Entity

The City of Zeeland is governed by an elected mayor and six-member council. The accompanying financial statements present the city and its component units, entities for which the city is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the city's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government (see discussion below for description).

Blended Component Unit. The Zeeland Building Authority has a three member board that is appointed by the City Council. During 1991, the Building Authority issued limited tax general obligation bonds to finance a part of the cost of the acquisition and construction of improvements of two existing downtown parking lots. The city has entered into a long-term lease with the authority for the use of these facilities. The city established special assessment districts and will levy an annual operating millage to finance the operations of the authority. During 1998, the Building Authority issued limited tax general obligation bonds to finance additions and improvements to city hall and the construction of a storage building at the street department. The city has entered into a long-term lease with the authority for the project. The city is required to provide annually sufficient monies from its general funds for the payment of the outstanding bonds.

Discretely Presented Component Unit. The city has no discretely presented component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. (The City of Zeeland has no such component units.)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, special assessments, licenses, interest revenue, and charges for services. Other revenue is recorded when received.

The city reports the following major governmental funds:

General Fund - The General Fund is the city's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Major and Local Street Funds - The Major Street and Local Street Funds account for the resources of state gas and weight taxes that are restricted for use on major and local streets. They also account for monies received from special taxes levied for street improvement purposes and for monies received from General Fund contributions.

The city reports the following major proprietary funds:

Electric Utility Fund - This fund is used to account for the electric utility sales and costs associated with the generation, purchase, transmission and distribution of electricity.

Water Utility Fund - This fund is used to account for the operation and maintenance of a water distribution system, including storage tanks, pumping stations, distribution mains and services and related equipment. Water is purchased from the City of Holland Board of Public Works for storage and distribution to Zeeland's customers.

Clean Water Utility Fund - This fund is used to account for the operation and maintenance of a wastewater collection system, lift stations and treatment facility.

Additionally, the government reports the following fund types:

Governmental Funds

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes and for monies received from General Fund transfers for specified purposes.

Debt Service Funds - Debt Service Funds account for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Capital Projects Funds - Capital Project Funds are used to account for resources accumulated for the acquisition or construction of specific capital projects or items.

Permanent Funds - The Permanent Fund is used to record the activity of the Cemetery Trust which provides funds for the perpetual care of cemetery lots.

Proprietary Funds

Internal Service Funds - Internal Service Funds account for 1) building maintenance services, 2) major machinery, equipment and vehicle purchases and maintenance and 3) health care self-insurance services provided to other departments of the city on a cost reimbursement basis.

Fiduciary Funds (Not included in government-wide statements)

Pension Trust Fund - The Pension Trust Fund account for the activities of the city's defined benefit pension plan for eligible employees and are accounted for in essentially the same manner as proprietary funds.

Agency Funds - Agency Funds account for assets held by the city in a purely custodial capacity. Agency funds are custodial in nature (i.e., assets equal liabilities) and do not involve the measurement of results of operations. The City maintains agency funds to account for tax collections and related payments, certain payroll withholdings, and refundable customer deposits.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The city has elected not to follow private-sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of the inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the city's electric, water and sewer functions and various other functions of the city. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. The water and clean water funds also recognize the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as non-operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

When both restricted and unrestricted resources are available for use, it is the city's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. *Bank Deposits and Investments.*

The city pools cash resources of its various funds to facilitate the management of cash. The balances in the pooled cash accounts are available to meet current operating requirements. Cash in excess of current requirements is invested in various interest bearing securities and disclosed as part of the city's investments. Debt service funds, self-insurance funds, bond covenant accounts and Pension Trust Funds are maintained in separate accounts.

For purposes of the statement of cash flows, the proprietary funds type considers all transactions within the city's pooled cash accounts to be cash and cash equivalents.

Investments are recorded at fair value. Interest is accrued and earnings in the pooled cash accounts are allocated quarterly to each fund based upon monthly balances of cash and investments.

2. *Receivables and Payables.*

In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The property tax receivable allowance is equal to 100 percent of the outstanding property taxes. No allowance for uncollectible accounts is considered for other receivables.

3. *Inventories and Prepaid Items.*

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

4. *Restricted Assets*

Certain proceeds of the enterprise funds revenues bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets because their use is limited by applicable bond covenants. The “revenue bond covenant accounts” are used to segregate resources set aside to make up potential future deficiencies in the bond current debt service accounts.

5. *Capital Assets.*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the city as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current year \$0 of interest expense was capitalized as part of the cost of assets under construction.

Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-40
Land improvements	5-10
Machinery and equipment	5-15
Office furniture and equipment	5-20
Vehicles	3-25
Roads and sidewalks	15-25
Electric, water and sewer systems	10-50

6. *Compensated Absences.*

It is the city’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for sick leave since the city does not have a policy to pay amounts when the employees separate from service from the city. If material, all vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only for employee terminations at year-end.

7. Long-Term Obligations.

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

8. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

E. Property Taxes

Property taxes are levied on each July 1 (lien date and due date) on the taxable valuation of property as of the preceding December 31. Real and personal property taxes are collected without additional charge from a period of 45 days from the due date the bills are due. After that period of time, two percent penalty and interest at three quarters of a percent per month are added to all unpaid taxes. The city continues to collect taxes until March 1, at which time the delinquent real property taxes are returned to the county for collection. The county's policy has been to pay the city for all delinquent real property taxes returned. The city continues to collect delinquent personal property taxes.

The city's 2007 ad valorem tax is levied and collectible on July 1, 2007, and is recognized as revenue in the year ended June 30, 2008, when the proceeds of this levy are budgeted and made available for the financing of operations.

The 2007 taxable valuation of the city totaled \$289,382,201 excluding abated valuations, on which ad valorem taxes levied consisted of 10.9854 mills for operating purposes and .4000 mills for library debt purposes. This resulted in \$3,178,965 for operating purposes and \$115,744 for library debt purposes.

In addition the city's 2007 taxable valuation for abated property totaled \$265,781,400 on which taxes levied consisted of 5.4927 mills for operating purposes and .2000 mills for library debt purposes. This resulted in \$1,461,802 for operating purposes and \$53,227 for library debt purposes. The above amounts are recognized in the respective General and Debt Service Funds financial statements as tax revenue.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

State Construction Code Act – The city oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The city charges fees for these services. Beginning January 1, 2000, the law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs.

The city accounts for the activity of its building inspection department within its general fund. Following is a summary of the cumulative deficit and activity for the year ended June 30, 2008:

Surplus (deficit) - July 1, 2007		\$ (346,151)
Charges for services	\$ 78,171	
Building inspection expenditures	<u>(175,044)</u>	<u>(96,873)</u>
Surplus (deficit) - June 30, 2008		<u>\$ (443,024)</u>

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The governing body has designated several banks for the deposit of city funds. The investment policy adopted by the city in accordance with Public Act 196 of 1997 has authorized investment in all of the State statutory authority as listed above.

The city's pension trust funds investments are held in trust by the investment fiduciary, Merrill Lynch Trust Company. Michigan Compiled Laws, Section 38.1132, authorizes the city pension trusts to invest in a wide variety of investments including stocks, bonds, diversified investment companies, certificates of deposit, real estate, annuity investment contracts, and certain other specified investment vehicles. Specific limitations apply to the various investment types depending on the size of the pension trust.

The city's deposits and investment policy are in accordance with statutory authority.

At year-end, the city's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	Fiduciary <u>Funds</u>	<u>Total</u>
Cash and investments	\$ 9,436,580	\$ 26,156,920	\$ 5,066,779	\$ 40,660,279
Revenue bond covenant accounts	<u>-</u>	<u>1,567,500</u>	<u>-</u>	<u>1,567,500</u>
	<u>\$ 9,436,580</u>	<u>\$ 27,724,420</u>	<u>\$ 5,066,779</u>	<u>\$ 42,227,779</u>

The breakdown between deposits and investments is as follows:

	City	Pension Trust	Total
Bank deposits (checking and savings accounts, certificates of deposit)	\$ 11,994,053	\$ 213	\$ 11,994,266
Investments:			
Federal Home Loan Mortgage Corporation	6,858,817	197,674	7,056,491
Federal National Mortgage Association	8,475,998	582,237	9,058,235
Federal Home Loan Bank	4,708,385	-	4,708,385
Federal Farm Credit Bank	1,190,438	-	1,190,438
US Treasury Bills	-	74,694	74,694
US Treasury Notes	-	222,617	222,617
Corporate bonds	-	536,361	536,361
Corporate stocks	-	3,042,501	3,042,501
Money market accounts	4,062,893	280,898	4,343,791
Total investments	25,296,531	4,936,982	30,233,513
Total deposits and investments	\$ 37,290,584	\$ 4,937,195	\$ 42,227,779

The city's investment in US Government and Agency debt obligations at year end consists of:

Investments	Maturities	Fair Value	Investments	Maturities	Fair Value
Federal Home Loan Mtg Corp	07/01/2010	\$ 128,111	Federal National Mtg Assoc	04/29/2009	\$ 1,009,380
Federal Home Loan Mtg Corp	09/01/2010	136,920	Federal National Mtg Assoc	04/21/2011	492,815
Federal Home Loan Mtg Corp	11/01/2010	172,711	Federal National Mtg Assoc	06/16/2011	1,003,130
Federal Home Loan Mtg Corp	07/01/2008	32,202	Federal National Mtg Assoc	06/24/2013	1,001,560
Federal Home Loan Mtg Corp	08/01/2008	58,359	Federal National Mtg Assoc	12/23/2011	502,550
Federal Home Loan Mtg Corp	09/01/2008	137,060	Federal National Mtg Assoc	02/06/2013	497,345
Federal Home Loan Mtg Corp	12/01/2008	176,678	Federal National Mtg Assoc	04/01/2011	990,310
Federal Home Loan Mtg Corp	01/01/2009	499,873	Federal National Mtg Assoc	04/01/2013	496,250
Federal Home Loan Mtg Corp	05/01/2009	295,163	Federal Home Loan Bank	08/15/2008	300,375
Federal Home Loan Mtg Corp	05/01/2019	22,009	Federal Home Loan Bank	12/30/2010	504,690
Federal Home Loan Mtg Corp	10/01/2012	1,004,770	Federal Home Loan Bank	12/29/2009	413,000
Federal Home Loan Mtg Corp	02/11/2011	996,670	Federal Home Loan Bank	11/21/2013	1,006,250
Federal Home Loan Mtg Corp	09/15/2008	270,591	Federal Home Loan Bank	01/28/2013	499,375
Federal Home Loan Mtg Corp	11/15/2028	900,364	Federal Home Loan Bank	02/20/2013	998,130
Federal Home Loan Mtg Corp	10/15/2031	976,470	Federal Home Loan Bank	09/27/2011	488,750
Federal Home Loan Mtg Corp	12/15/2020	1,050,866	Federal Home Loan Bank	11/08/2011	497,815
Federal National Mtg Assoc	01/22/2010	1,001,560	Federal Farm Credit Bank	03/12/2009	200,438
Federal National Mtg Assoc	02/15/2009	270,675	Federal Farm Credit Bank	02/06/2012	990,000
Federal National Mtg Assoc	02/15/2010	192,613			
Federal National Mtg Assoc	05/05/2009	1,017,810	Total		\$ 21,233,638

The city's pension trust fund investments in debt obligations at year end consist of:

Investment	Maturities	Fair Value	Investment	Maturities	Fair Value
US Government and Agency Obligations:			Corporate Bonds (continued):		
Federal Home Loan Mtg Corp	10/14/08	\$ 76,454	Bear Stearns Co Inc	02/01/12	\$ 13,756
Federal Home Loan Mtg Corp	07/15/12	121,220	John Deere Capital Corp	03/15/12	21,511
Federal National Mtg Assoc	12/15/08	7,026	General Elec Cap Corp	10/19/12	22,215
Federal National Mtg Assoc	12/15/08	182,854	NM Household Fin Corp	11/27/12	25,635
Federal National Mtg Assoc	06/15/10	26,844	IBM Corp	11/29/12	14,194
Federal National Mtg Assoc	05/11/17	48,855	Metlife Inc	12/15/12	16,147
Federal National Mtg Assoc	2036	34,791	Boeing Co	05/15/13	16,318
Federal National Mtg Assoc	2036	74,125	Daimler Chrysler Hldg	11/15/13	20,740
Federal National Mtg Assoc	2036	9,394	Morgan Stanley	04/01/14	13,668
Federal National Mtg Assoc	2037	54,364	Citigroup Inc	09/15/14	14,819
Federal National Mtg Assoc	2037	48,089	News America Inc	12/15/14	13,724
Federal National Mtg Assoc	2037	32,290	Goldman Sachs Group Inc	01/15/15	31,588
Federal National Mtg Assoc	2037	28,252	Exelon Corp	06/15/15	13,802
Federal National Mtg Assoc	2038	35,353	Bank of America Corp	12/01/15	21,159
US Treasury Bill	09/18/08	16,933	Simon Property Group	12/01/15	14,558
US Treasury Bill	09/25/08	57,761	Wachovia Bank	3/15/2016	14,858
US Treasury Note	12/15/08	30,181	Abbott Laboratories	05/15/16	21,606
US Treasury Note	01/15/09	18,577	USD Can Natural Res	5/15/2017	14,695
US Treasury Note	05/15/09	37,483	CVS Caremark Corp	06/01/17	14,753
US Treasury Note	10/15/09	3,041	XTO Energy	8/1/2017	14,144
US Treasury Note	04/15/10	25,432	American Express	08/28/17	13,674
US Treasury Note	01/15/11	11,974	Astrazeneca Plc	09/15/17	14,350
US Treasury Note	02/15/11	16,896	Marathon Oil Corp	10/01/17	13,920
US Treasury Note	11/15/13	6,262	Comcast Corp	11/15/17	13,874
US Treasury Note	01/15/14	38,219	United Parcel Service	1/15/2018	14,176
US Treasury Note	05/15/15	2,067	Wal-Mart Stores Inc	2/15/2018	21,743
US Treasury Note	04/15/29	<u>32,485</u>	Philips Electronics	3/11/2018	13,716
Total US Gov't & Agency Obligations		<u>1,077,222</u>	Hartford Finl Svcs Grp	03/15/18	21,975
Corporate Bonds:			Glaxo Smith Kline Capital	5/15/2018	<u>21,915</u>
Berkshire Hathaway Fin	10/15/08	15,010	Total Corporate Bonds		<u>536,361</u>
Caterpillar Fin Serv Crp	06/15/09	18,118	Total		<u>\$ 1,613,583</u>

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the city's deposits may not be returned. At year end the bank balance of the city's deposits was \$12,196,688 of which \$1,208,120 was covered by federal depository insurance and \$10,988,568 was exposed to custodial credit risk because it was uninsured and uncollateralized. The city believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. The city's investment policy provides that deposits are restricted to financial institutions that have been evaluated for creditworthiness and meet certain ratios.

Interest rate risk. Except as limited by state law as listed in the above list of authorized investments the city does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. The city has no investment policy that limits its investment choices beyond those required by state law. The city's and pension trust fund's investments in US Government Agency obligations were rated AAA by Standard & Poor's. The pension trust fund's investments in corporate bonds were rated as follows:

Standard & Poor's Rating	Amount
AAA	\$ 37,225
AA	43,349
AA-	124,704
A+	79,771
A	77,752
A-	49,013
BBB+	70,073
BBB	14,144
Not rated	40,330
	<u>\$ 536,361</u>

At year end the city had \$4,062,893 and the pension trust fund had \$280,898 in permissible money market funds that are not separately rated.

Custodial Credit Risk-Investments. For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the city will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. The city has not adopted a policy for investment custodial credit risk. As of June 30, 2008, the city's investments were held by a third party in the city's name. The city's investments in money market accounts are not subject to risk categorization.

Concentration of Credit Risk. State law does not limit and the city has not adopted a formal policy on the amount the city may invest in any one issuer. More than 5% of the city's investments are in the Federal Home Loan Mortgage Corp. (23.3%), the Federal National Mortgage Corp. (30.0%), and the Federal Home Loan Bank (15.5%).

B. Receivables

Receivables as of year-end for the city's individual major funds, and non-major funds, internal service funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Major Street	Local Street	Electric Utility	Water Utility	Clean Water Utility	Non-major Funds	Internal Service Funds	Total
Receivables:									
Accounts	\$ 31,796	\$ -	\$ 1,500	\$ 2,255,097	\$ 352,253	\$ 145,342	\$ 7,788	\$ 38,215	\$ 2,831,991
Interest	7,935	1,734	1,467	94,212	20,374	35,919	16,414	10,970	189,025
Intergovernmental	<u>106,294</u>	<u>46,163</u>	<u>16,326</u>	-	-	<u>218,804</u>	<u>5,031</u>	-	<u>392,618</u>
Gross receivables	146,025	47,897	19,293	2,349,309	372,627	400,065	29,233	49,185	3,413,634
Allowance for uncollectibles	-	-	-	-	-	-	-	-	-
Net Total Receivables	<u>\$ 146,025</u>	<u>\$ 47,897</u>	<u>\$ 19,293</u>	<u>\$ 2,349,309</u>	<u>\$ 372,627</u>	<u>\$ 400,065</u>	<u>\$ 29,233</u>	<u>\$ 49,185</u>	<u>\$ 3,413,634</u>

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the city reported no deferred revenue.

C. Capital Assets

Capital asset activity of the primary government for the current year was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 1,342,815	\$ (225,018)	\$ -	\$ 1,117,797
Land-Motor Pool	-	225,000	-	225,000
Construction in Progress	<u>2,960,697</u>	<u>-</u>	<u>(2,444,326)</u>	<u>516,371</u>
Subtotal	<u>4,303,512</u>	<u>(18)</u>	<u>(2,444,326)</u>	<u>1,859,168</u>
Capital Assets Being Depreciated				
Land improvements	1,172,337	601,446	-	1,773,783
Buildings and improvements	8,955,341	19,502	-	8,974,843
Machinery and equipment	490,947	8,200	-	499,147
Office furniture and equipment	672,349	79,863	-	752,212
Buildings-Motor Pool	-	2,224,335	-	2,224,335
Equipment-Motor Pool	636,002	173,724	(13,297)	796,429
Vehicles-Motor Pool	2,310,741	47,247	(118,710)	2,239,278
Infrastructure	<u>18,149,274</u>	<u>919,879</u>	<u>-</u>	<u>19,069,153</u>
Subtotal	<u>32,386,991</u>	<u>4,074,196</u>	<u>(132,007)</u>	<u>36,329,180</u>
Less Accumulated Depreciation for				
Land improvements	(745,453)	(87,522)	-	(832,975)
Buildings and improvements	(2,541,811)	(281,869)	-	(2,823,680)
Machinery and equipment	(409,681)	(36,182)	-	(445,863)
Office furniture and equipment	(547,156)	(49,301)	-	(596,457)
Buildings-Motor Pool	-	(63,537)	-	(63,537)
Equipment-Motor Pool	(286,011)	(83,061)	13,297	(355,775)
Vehicles-Motor Pool	(973,209)	(144,655)	118,710	(999,154)
Infrastructure	<u>(8,303,115)</u>	<u>(980,456)</u>	<u>-</u>	<u>(9,283,571)</u>
Subtotal	<u>(13,806,436)</u>	<u>(1,726,583)</u>	<u>132,007</u>	<u>(15,401,012)</u>
Net Capital Assets Being Depreciated	<u>18,580,555</u>	<u>2,347,613</u>	<u>-</u>	<u>20,928,168</u>
Governmental Activities Total				
Capital Assets-Net of Depreciation	<u>\$ 22,884,067</u>	<u>\$ 2,347,595</u>	<u>\$ (2,444,326)</u>	<u>\$ 22,787,336</u>

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 1,382,369	\$ 4,661	\$ -	\$ 1,387,030
Construction in progress	<u>1,372,045</u>	<u>-</u>	<u>(181,027)</u>	<u>1,191,018</u>
Subtotal	<u>2,754,414</u>	<u>4,661</u>	<u>(181,027)</u>	<u>2,578,048</u>
Capital Assets Being Depreciated				
Land improvements	748,627	-	(400)	748,227
Building and improvements	5,081,483	798,362	(11,745)	5,868,100
Systems	75,298,661	2,575,784	(500,505)	77,373,940
Machinery and equipment	<u>1,179,545</u>	<u>53,976</u>	<u>(43,931)</u>	<u>1,189,590</u>
Subtotal	<u>82,308,316</u>	<u>3,428,122</u>	<u>(556,581)</u>	<u>85,179,857</u>
Less Accumulated Depreciation for				
Land improvements	(529,219)	(36,794)	400	(565,613)
Building and improvements	(1,985,394)	(172,562)	11,745	(2,146,211)
Systems	(30,978,140)	(2,448,166)	449,252	(32,977,054)
Machinery and equipment	<u>(781,388)</u>	<u>(120,264)</u>	<u>43,484</u>	<u>(858,168)</u>
Subtotal	<u>(34,274,141)</u>	<u>(2,777,786)</u>	<u>504,881</u>	<u>(36,547,046)</u>
Net Capital Assets Being Depreciated	<u>48,034,175</u>	<u>650,336</u>	<u>(51,700)</u>	<u>48,632,811</u>
Business-Type Activities Total				
Capital Assets-Net of Depreciation	<u>\$ 50,788,589</u>	<u>\$ 654,997</u>	<u>\$ (232,727)</u>	<u>\$ 51,210,859</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities	
General government	\$ 130,402
Public safety	86,063
Public works	997,526
Recreation and culture	221,339
Internal service fund depreciation is charged to the various functions based on their usage of the assets	<u>291,253</u>
Total Governmental Activities	<u>\$ 1,726,583</u>
Business-Type Activities	
Electric	\$ 1,849,656
Water	614,914
Clean water	<u>313,216</u>
Total Business-Type Activities	<u>\$ 2,777,786</u>

Construction Commitments-The city has active construction projects at year-end. At year-end the city's commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Electric Utility projects	\$ 168,196	\$ 31,500
Water Utility projects	170,881	12,811
Clean Water Utrility projects	575,110	199,149
Street repaving projects	<u>347,907</u>	<u>146,261</u>
	<u>\$ 1,262,094</u>	<u>\$ 389,721</u>

D. Interfund Receivables, Payables and Transfers

At June 30, 2008, there were no interfund balances. Interfund transfers reported in the funds statements were as follows:

	<u>Transfers Out</u>				<u>Total</u>
	<u>General Fund</u>	<u>Major Street Fund</u>	<u>Electric Utility Fund</u>	<u>Clean Water Utility Fund</u>	
Transfers In					
General Fund	\$ -	\$ -	\$ 424,800 (1)	\$ 93,964 (2)	\$ 518,764
Major Street Fund	750,000 (3)	-	-	-	750,000
Local Street Fund	585,000 (3)	-	-	-	585,000
Parking System Fund	129,000 (4)	-	-	-	129,000
Community Center Fund	194,000 (4)	-	-	-	194,000
Library Fund	300,000 (4)	-	-	-	300,000
1993 M.T.F. Acr 175 Debt Fund	-	38,401 (5)	-	-	38,401
1998 Building Authority G.O. Debt Fund	<u>110,000 (5)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,000</u>
	<u>\$ 2,068,000</u>	<u>\$ 38,401</u>	<u>\$ 424,800</u>	<u>\$ 93,964</u>	<u>\$ 2,625,165</u>

The following describes the nature of the significant transfers:

- (1) Transfer from Electric Utility Fund to General Fund for annual agreed upon payment in lieu of taxes
- (2) Transfer from Clean Water Utiltiy Fund to general Fund for administrative charge -back
- (3) Transfers from general Fund to Major and Local Street Funds for street construction
- (4) Transfers from General Fund for annual operating purposes
- (5) transfers from major Street and General Funds for annual debt service requirements

E. Long-Term Debt

The city issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the city is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the district) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

Bond and contractual obligation activity can be summarized as follows:

	Original Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities						
General obligation bonds						
1998 Building Authority, interest rates from 4.1% to 6.0%, maturing 2018	\$ 1,400,000	\$ 1,065,000	\$ -	\$ (65,000)	\$ 1,000,000	\$ 70,000
1994 Library Building, interest rates from 5.7% to 7.25%, maturing 2009	400,000	65,000	-	(25,000)	40,000	20,000
2003 Library Refunding, interest rates from 2.0% to 3.1%, maturing 2014	1,630,000	1,255,000	-	(130,000)	1,125,000	135,000
2006 Capital Improvement, interest rates from 4.0% to 4.4%, maturing 2025	2,100,000	2,025,000	-	(75,000)	1,950,000	80,000
Michigan transportation bonds						
1993 MTF, interest rates from 2.4% to 7.25%, maturing 2007	440,000	40,000	-	(40,000)	-	-
		<u>\$ 4,450,000</u>	<u>\$ -</u>	<u>\$ (335,000)</u>	<u>\$ 4,115,000</u>	<u>\$ 305,000</u>
Business-Type Activities						
Revenue bonds						
1999 Electric Revenue and Refunding, interest rates from 3.3% to 4.85%, maturing 2018	\$ 3,125,000	\$ 1,490,000	\$ -	\$ (5,000)	\$ 1,485,000	\$ 5,000
2003 Electric Refunding, interest rates from 2.0% to 3.0%, maturing 2013	4,230,000	3,065,000	-	(390,000)	2,675,000	405,000
2001 Water Revenue, interest rates from 4.3% to 5.5%, maturing 2020	4,300,000	3,455,000	-	(175,000)	3,280,000	180,000
2002 Water Refunding, interest rates from 3.0% to 3.9%, maturing 2013	1,810,000	1,245,000	-	(155,000)	1,090,000	160,000
2005 Water Refunding, interest rates from 3.5% to 4.0%, maturing 2015	3,515,000	3,230,000	-	(255,000)	2,975,000	270,000
		<u>\$ 12,485,000</u>	<u>\$ -</u>	<u>\$ (980,000)</u>	<u>\$ 11,505,000</u>	<u>\$ 1,020,000</u>

Annual debt service requirements to maturity for the above obligations are as follows:

Year Ended June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2009	\$ 305,000	\$ 156,215	\$ 1,020,000	\$ 450,136
2010	315,000	145,285	1,060,000	415,153
2011	310,000	134,073	1,115,000	377,414
2012	325,000	122,535	1,165,000	336,784
2013	345,000	110,330	1,205,000	293,910
2014-2018	1,370,000	370,403	4,645,000	797,739
2019-2023	715,000	162,835	1,295,000	90,245
2024-2026	430,000	29,040	-	-
	<u>\$ 4,115,000</u>	<u>\$ 1,230,716</u>	<u>\$ 11,505,000</u>	<u>\$ 2,761,381</u>

F. Restricted Assets

Restricted assets in the business-type activities are amounts required to be set aside for debt service by Electric Utility Fund and Water Utility Fund revenue bond covenants as follows:

Electric Utility revenue bond covenant amounts	\$ 663,000
Water Utility revenue bond covenant amounts	<u>904,500</u>
	<u>\$ 1,567,500</u>

NOTE 4. OTHER INFORMATION

A. Risk Management, Health-Care Self-Insurance and Litigation

The city is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The city is insured under the Michigan Municipal League for workers' compensation claims, general liability, and property loss. In addition the Electric Utility and Water Utility Funds obtain commercial insurance coverage for general liability and property loss. The Electric Utility and Water Utility are self-insured for claims not exceeding \$25,000. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool operates as a common risk-sharing program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The city maintains a health care self insurance fund to account for the city's health care and dental coverage which are self-insured by the city. Health care claims in excess of specified amounts and long-term disability claims are covered through third-party insurance policies. Revenues are recognized from city contributions. The city estimates the liability for health and dental claims that have been incurred through the end of the fiscal year but have not been reported. These estimates are recorded in the Health Care Self-Insurance Internal Service Fund. Changes in the claims liability for the past two fiscal years were as follows:

	<u>2008</u>	<u>2007</u>
Balance-July 1	\$ 40,000	\$ 40,000
Incurred claims-including claims incurred but not reported	860,682	845,643
Claims payments	<u>(860,682)</u>	<u>(845,643)</u>
Balance-June 30	<u>\$ 40,000</u>	<u>\$ 40,000</u>

The city is defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the city attorney the resolution of these matters will not have a material adverse effect on the financial condition of the city.

B. Power Sales Contract and Project Contract

The City of Zeeland through its Board of Public Works (BPW) entered into an agreement with the Michigan Public Power Agency (MPPA), a public body political and corporate of the State of Michigan created in 1978. MPPA was formed to undertake the planning, financing, development, acquisition, construction, improvement, operations, and maintenance of projects to supply electric power and energy for present or future needs of its members. Each of MPPA's participating members is a municipal corporation organized under the laws of the State of Michigan and owns and operates a municipal electric system. As of June 30, 2008, the MPPA had 14 participating municipalities.

In January, 1983, MPPA entered into a participation agreement with the Detroit Edison Company providing for the sale to MPPA of an undivided ownership interest (37.22%) in the Belle River Unit No. 1 coal-fueled electric generating facility. The 652 megawatt (MW) generating plant was placed in commercial operation on August 1, 1987. MPPA initially financed the purchase of its portion of the Belle River plant by issuing \$590,000,000 of Project Revenue Bonds.

The BPW has entered into a Power Sales Contract and a Project Support Contract with MPPA whereby MPPA will sell and the BPW will purchase its entitlement share (11.3MW or 4.94% of MPPA's interest) of power and energy from the Belle River plant. During fiscal year 2008 approximately 74.2 million kwh (or approximately 22% of the system's needs) were provided to Zeeland from the Belle River project.

The contracts require the BPW to charge rates for electric power, sufficient to provide revenues adequate to meet its obligations under the agreements. Payments made under the Power Sales Contract are operating expenses of the electric system. Payments made under the Project Support Contract are made after payment of operation and maintenance expenses of the electric system and after debt service payments of the electric system.

Under the provisions of the MPPA bonding resolution, neither the State of Michigan nor any political subdivision thereof, other than MPPA, nor any Participant or any other nonparticipating Member of MPPA is obligated to pay the principal of, premium, if any, or interest on the project revenue bonds and neither the full faith and credit or the taxing power of the State of Michigan or any such Participant or nonparticipating Member is pledged to the payment of the principal of, premium, if any, or interest on the project revenue bonds. MPPA does not have any taxing powers.

C. Other Post-Employment Benefits

The city has elected to provide postretirement health care, dental and life insurance benefits to certain eligible retired employees. Eligible recipients include all full-time employees who have reached the age of 62 and have worked at least ten years for the city. Such benefits are provided to eligible retirees within the schedule of benefits for the city's pre-Medicare and Medicare supplement insurance plans. The city may provide postretirement benefits to its retirees at its discretion and is not obligated in any manner to provide any postretirement benefits in addition to the pension benefits described under the Employee Retirement Systems and Plans note.

As of the end of the fiscal year, 33 eligible retirees and spouses were receiving such postretirement benefits. Expenditures for postretirement benefits are recognized as insurance premiums and claim administrator reimbursements become due. For the year ended June 30, 2008, expenditures of \$194,844 were recognized for postretirement health care and dental insurance benefits, which are net of \$34,180 in reimbursements received from retirees.

D. Deferred Compensation Plan

The city offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The assets of the plan were held in trust as described in IRC Section 457(g) for the exclusive benefit of the participants and their beneficiaries. The custodian thereof holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted for any other use. The Administrators are the agents of the employer for the purpose of providing direction to the custodian of the custodial accounts from time to time for the investment of the funds held in the account, transfer of the assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the city's financial statements.

E. Employee Retirement Systems and Plans

The City of Zeeland maintains two pension plans. The defined contribution plan was established July 1, 2000 and covers eligible employees hired after July 1, 2000 and employees hired prior to July 1, 2000 who elected to have their balances transferred from the city's defined benefit plan. Participation in the defined benefit plan was frozen effective July 1, 2000 and now covers only eligible employees hired prior to July 1, 2000 who elected to remain participants in the defined benefit plan and not participate in the defined contribution plan.

1. City of Zeeland Defined Benefit Pension Plan

a. Plan Description

The City of Zeeland Defined Benefit Pension Plan is a single employer plan administered by the City of Zeeland. All full-time employees employed by the city before July 1, 2000 and who work 25 hours or more per week were eligible to remain a participant in the plan. All employees hired on or after July 1, 2000 are required to become a participant in the defined contribution plan. The plan provides retirement and death benefits to plan members and their beneficiaries. The plan was established by the city and can be amended at its discretion, subject to the terms of collective bargaining agreements covering various employee classes. The plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at the city's offices.

b. Summary of Significant Accounting Policies

Basis of Accounting – The plan's financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments - Plan investments are reported at fair market value. Quoted market prices are used to value investments.

c. Funding Policy

The City of Zeeland, under its charter and through various collective bargaining agreements, has the authority to establish and amend the obligations of the city and plan members to contribute to the plan. Except for police employees, active plan members are currently not obligated to make contributions to the plan. Police employees make contributions equal to 1.12% of compensation to partially fund their benefit. The city is required by the terms of the plan to contribute the actuarially determined amount necessary to fund the plan.

d. Annual Pension Cost and Net Pension Obligation

For the year ended June 30, 2008, the city's annual pension cost of \$224,870 was equal to the required and actual contributions. The city has no net pension obligation.

Three year trend information as of June 30 follows:

	Year Ended June 30		
	2006	2007	2008
Annual pension costs (APC)	\$ 254,078	\$ 224,877	\$ 224,870
Percentage of APC contributed	100%	100%	100%
Net pension obligation	\$ -	\$ -	\$ -

e. Funded Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the plan was 73.1% funded. The actuarial accrued liability for benefits was \$6,786,649, and the actuarial value of plan assets was \$4,960,020, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,826,629. The covered payroll (annual payroll for employees covered by the plan) was \$929,778, and the ratio of the UAAL to the covered payroll was 196.46 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

f. Actuarial Methods and Assumptions

The required pension contribution was determined as part of an actuarial valuation at July 1, 2007, using the aggregate actuarial cost method. Significant actuarial assumptions included (a) a 7% investment rate of return, (b) projected salary increases of 4.0% per year, and (c) no cost of living adjustments. The actuarial value of assets is equal to the fair market value of the assets held in the plan. The plan uses the aggregate actuarial cost method. Because this method does not identify and separately amortize unfunded actuarial liabilities, information about the funded status and funding progress was prepared using the entry age actuarial cost method for that purpose and is intended to serve as a surrogate for the funded status and funding progress of the plan.

g. Subsequent Events

Subsequent to June 30, 2008 certain of the assets held by the City of Zeeland Defined Benefit Pension Plan experienced significant declines in market value.

2. City of Zeeland Defined Contribution Plan

The city provides pension benefits to all its employees meeting length of service requirements not participating in the defined benefit plan through a defined contribution plan administered by Merrill Lynch. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The city contributes 8% of covered compensation for participants who were employed by the city before July 1, 2000 and 6% of covered compensation for employees for participants employed after July 1, 2000. Contributions made to the plan were \$182,409 for the year ended June 30, 2008. Plan provisions and contribution requirements are established and may be amended by the City Council.

Required Supplementary Information

City of Zeeland, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Revenues:				
Taxes	\$ 4,492,000	\$ 4,668,000	\$ 4,678,138	\$ 10,138
Licenses and permits	75,500	105,500	117,276	11,776
State shared revenues	565,870	547,500	547,242	(258)
Charges for services	47,450	50,950	47,144	(3,806)
Fines and forfeitures	30,000	32,000	32,453	453
Interest	183,000	230,000	231,595	1,595
Other	42,000	45,000	46,164	1,164
Total Revenues	<u>5,435,820</u>	<u>5,678,950</u>	<u>5,700,012</u>	<u>21,062</u>
Expenditures:				
Current:				
General Government:				
Governing body	60,680	68,330	61,961	6,369
Youth council	4,410	4,410	2,447	1,963
Chief executive-mayor	9,560	9,560	9,486	74
City services infrastructure	51,415	31,745	31,543	202
City manager	128,200	123,200	119,221	3,979
Elections	19,016	17,016	12,427	4,589
Accounting	108,350	110,050	101,172	8,878
Assessor	174,850	174,850	170,363	4,487
Attorney	8,100	10,800	10,448	352
Clerk	155,705	151,705	148,108	3,597
Personnel management	54,525	74,525	71,926	2,599
Board of review	1,790	1,790	1,589	201
General services	230,500	214,000	202,505	11,495
Treasurer	67,420	67,420	66,344	1,076
Data processing	75,500	75,500	69,726	5,774
Other property	800	800	464	336
Cemetery	141,650	133,550	117,433	16,117
Storm water management	19,880	14,880	11,729	3,151
Tree management	16,770	16,770	12,475	4,295
Public relations	31,500	31,500	27,473	4,027
Other	-	5,200	5,036	164
Total General Government	<u>1,360,621</u>	<u>1,337,601</u>	<u>1,253,876</u>	<u>83,725</u>
Public Safety:				
Police administration	367,700	372,700	371,660	1,040
Police patrol	623,150	637,500	632,093	5,407
Team police project	24,035	24,035	20,755	3,280
Fire services	348,170	371,145	352,629	18,516
Building and zoning	172,275	176,775	175,044	1,731
Emergency services	132,347	132,347	126,302	6,045
Total Public Safety	<u>1,667,677</u>	<u>1,714,502</u>	<u>1,678,483</u>	<u>36,019</u>

(Continued on next page)

City of Zeeland, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Public Works:				
Sidewalks	33,830	45,280	42,379	2,901
Highways, streets, and bridges	14,555	23,205	21,785	1,420
Street lighting	30,000	33,000	32,800	200
City clean-up	87,145	87,145	81,903	5,242
MACC transit	60,000	97,000	96,520	480
Total Public Works	225,530	285,630	275,387	10,243
Community and Economic Development				
Economic development	144,850	169,150	164,137	5,013
Planning commission	54,440	53,440	42,265	11,175
Construction board of appeals	1,850	850	472	378
Zoning board of appeals	8,840	6,040	2,626	3,414
Total Community and Economic Development	209,980	229,480	209,500	19,980
Recreation and Culture:				
Timbertown	5,350	5,350	5,303	47
Parks	225,030	225,030	210,719	14,311
Total Recreation and Culture	230,380	230,380	216,022	14,358
Insurance and Other:				
Liability insurance	12,500	12,500	11,923	577
Other	50,000	-	-	-
Total Insurance and Other	62,500	12,500	11,923	577
Debt Service:				
Principal	75,000	75,000	75,000	-
Interest	83,495	83,495	82,736	759
Total Debt Service	158,495	158,495	157,736	759
Total Expenditures	3,915,183	3,968,588	3,802,927	165,661
Excess Of Revenues Over (Under) Expenditures	1,520,637	1,710,362	1,897,085	186,723
Other Financing Sources (Uses):				
Transfers in	518,764	518,764	518,764	-
Transfers out	(2,035,000)	(2,068,000)	(2,068,000)	-
Total Other Financing Sources (Uses)	(1,516,236)	(1,549,236)	(1,549,236)	-
Net Change in Fund Balances	4,401	161,126	347,849	186,723
Fund Balances - July 1	2,332,701	2,332,701	2,332,701	-
Fund Balances - June 30	\$ 2,337,102	\$ 2,493,827	\$ 2,680,550	\$ 186,723

City of Zeeland, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - MAJOR STREET FUND
Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
State shared revenues	280,000	280,000	297,598	17,598
Charges for services	1,000	1,000	250	(750)
Interest	10,000	12,000	17,468	5,468
Other	100	100	140	40
Total Revenues	<u>291,100</u>	<u>293,100</u>	<u>315,456</u>	<u>22,356</u>
Expenditures:				
Current:				
Public Works:				
Construction	529,000	553,000	427,783	125,217
Surface maintenance	137,240	137,240	129,715	7,525
Off-surface maintenance	27,960	32,960	31,959	1,001
Storm and drainage	50,190	26,890	24,484	2,406
Traffic services	62,610	67,900	64,979	2,921
Winter maintenance	86,080	86,780	84,417	2,363
Administration	34,355	11,655	10,431	1,224
Engineering	5,000	1,000	1,000	-
Record keeping	14,147	14,997	14,611	386
Total Expenditures	<u>946,582</u>	<u>932,422</u>	<u>789,379</u>	<u>143,043</u>
Excess Of Revenues Over (Under) Expenditures	<u>(655,482)</u>	<u>(639,322)</u>	<u>(473,923)</u>	<u>165,399</u>
Other Financing Sources (Uses):				
Transfers in	750,000	750,000	750,000	-
Transfers out	<u>(139,600)</u>	<u>(38,401)</u>	<u>(38,401)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>610,400</u>	<u>711,599</u>	<u>711,599</u>	<u>-</u>
Net Change in Fund Balances	(45,082)	72,277	237,676	165,399
Fund Balances - July 1	<u>235,767</u>	<u>235,767</u>	<u>235,767</u>	<u>-</u>
Fund Balances - June 30	<u>\$ 190,685</u>	<u>\$ 308,044</u>	<u>\$ 473,443</u>	<u>\$ 165,399</u>

City of Zeeland, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - LOCAL STREET FUND
Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
State shared revenues	107,000	107,000	125,800	18,800
Charges for services	1,000	1,000	1,675	675
Interest	10,000	10,000	16,734	6,734
Other	48,000	48,000	25,000	(23,000)
Total Revenues	166,000	166,000	169,209	3,209
Expenditures:				
Current:				
Public Works:				
Construction	530,000	760,000	685,878	74,122
Surface maintenance	90,965	61,165	51,290	9,875
Off-surface maintenance	20,680	26,620	25,432	1,188
Storm and drainage	27,920	22,620	20,554	2,066
Traffic services	36,885	36,885	31,811	5,074
Winter maintenance	87,485	114,185	110,269	3,916
Administration	34,105	10,750	9,861	889
Engineering	5,000	1,000	856	144
Record keeping	14,375	15,175	14,617	558
Total Public Expenditures	847,415	1,048,400	950,568	97,832
Excess Of Revenues Over (Under) Expenditures	(681,415)	(882,400)	(781,359)	101,041
Other Financing Sources (Uses):				
Transfers in	585,000	585,000	585,000	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	585,000	585,000	585,000	-
Net Change in Fund Balances	(96,415)	(297,400)	(196,359)	101,041
Fund Balances - July 1	612,851	612,851	612,851	-
Fund Balances - June 30	\$ 516,436	\$ 315,451	\$ 416,492	\$ 101,041

City of Zeeland, Michigan
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2008

NOTE - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Annual appropriated budgets are adopted for the general, special revenue and debt service funds. All annual appropriations lapse at fiscal year end. Non-appropriated budgets are adopted for three capital projects, enterprise, and internal service funds.

In February of each year, all department heads of the city submit requests for appropriations for each activity for which they are responsible to the budget officer so that a budget may be prepared. On or before March 31, the proposed budget is presented to the City Council for review. The City Council holds study sessions and public hearings and a final budget must be prepared and adopted no later than June 30.

In addition to adopting the annual operating budget, the City Council annually reviews and approves the Capital Improvement Program (CIP). The CIP is a six-year plan for capital project expenditures and anticipated revenue sources. Expenditures and revenues for these projects are budgeted in the appropriate fund.

The appropriated budget is prepared by fund, function, department and activity (i.e. treasurer, city hall, police patrol). Expenditures may not legally exceed budget appropriations at the activity level within the fund, department and activity. Department heads may adjust line items within the activity, however, only the City Council has the authority to amend the total activity budget. Transfers of appropriations between activities require approval of the City Council. A transfer of cash from one fund to another requires a vote of not less than five members of the City Council. Appropriated budgets are amended from time to time throughout the course of the fiscal year by supplementary resolutions approved by a majority vote of the City Council.

Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

B. Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the city incurred no expenditures in budgeted funds which were in excess of the amounts appropriated.

City of Zeeland
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ending	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) ¹ (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6-30-03	7-1-03	\$ 3,845,588	\$ 4,768,193	\$ 922,605	80.7%	\$ 822,694	112.1%
6-30-04	7-1-04	4,182,948	5,124,087	941,139	81.6	907,819	104.0
6-30-05	7-1-05	4,425,925	5,878,268	1,452,343	75.3	821,585	176.8
6-30-06	7-1-06	4,758,716	6,043,770	1,285,054	78.7	900,867	142.7
6-30-07	7-1-07	5,281,385	6,417,866	1,136,481	82.3	892,607	127.3
6-30-08	7-1-08	4,960,020	6,786,649	1,826,629	73.1	929,778	196.5

¹ Entry age normal accrued liability

The City of Zeeland Defined Benefit Pension Plan uses the aggregate actuarial cost method. The Schedule of Funding Progress is prepared using the entry age actuarial cost method and the information presented herein is intended to serve as a surrogate for the funded status and funding progress of the plan.

Supplemental Data

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are established to account for the proceeds of specific revenue sources other than expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

Parking System Fund--was established by Ordinance No. 249 as amended by Ordinance No. 307.

CDBG Grant--was established to account for grant revenues and expenditures related to the Gentex infrastructure improvements partially funded with CDBG grant monies.

Brownfield Development Authority Fund--was established to account for administrative revenues and expenditures related to future Brownfield Development Authority tax increment financing projects.

Community Center--was established to account for building rental revenue received from the public for meetings, banquets and other community related events. Monies expended from this fund are used for Community Center purposes.

Library Fund--was established for the purpose of receiving restricted state revenue sharing, library penal fines, etc. Monies expended from this fund must be for authorized library purposes.

Library Endowment Fund--was established for the purpose of receiving restricted earnings from a privately established endowment fund. Monies expended from this fund must be for authorized library purposes.

Legal Contingency--was established to account for out of the ordinary legal expenditures the city may incur throughout the fiscal year.

Shopping Area Redevelopment Board Fund--was established to account for the economic development activities in the downtown area.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources and payment of principal and interest of: 1) general obligation bonds from governmental resources; 2) Michigan transportation bonds from state shared motor vehicle revenues; and 3) special assessment bonds from special assessment levies backed by the city's governmental commitment.

Michigan Transportation Fund (M.T.F.)--to account for the current payment of principal and interest of 1993 Michigan Transportation Funds Bonds, issued for street improvements and repaid from state shared gas and weight tax revenues.

Building Authority General Obligation Debt--to account for the payment of interest and principal on long-term debt. Its assets are used for the redemption of Building Authority Bonds issued specifically for capital projects financed by the Zeeland Building Authority. In 1998, \$1,400,000 of Building Authority Bonds were issued to finance the additions and improvements to City Hall and the construction of a storage building for the street department.

Library General Obligation Debt--to account for the current payment of principal and interest on 1993 and 1994 unlimited tax general obligation bonds. In 1993, \$2,000,000 of general obligation bonds were issued to finance part of the cost of constructing a library/community center. In 1994, an additional \$400,000 of general obligation bonds were issued for this same purpose.

Capital Projects Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Capital Improvement Fund—this fund accounts for monies set aside for future improvements and/or construction projects not accounted for elsewhere.

City Park Improvement Fund—this fund accounts for monies set aside for future improvements to all city parks.

City Building Fund— this fund is used to account for the purchase and/or construction of capital facilities budgeted in the current year of the city's 6-Year Capital Improvement Program which are not accounted for by proprietary funds, trust funds, projects financed through special assessments, and street construction/improvements financed by Act 51 funds.

Residential Improvement Fund—this fund was set up to accumulate monies for the purpose of purchasing, demolishing and improving substandard residential property.

City of Zeeland, Michigan
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2008

	Special Revenue Funds								Total
	Parking System	CDBG Grant	Brownfield Development Authority	Community Center	Library	Library Endowment	Legal Contingency	Shopping Area Redevelopment Board	
ASSETS									
Cash and investments	\$ 10,773	\$ 78,211	\$ 30,552	\$ 17,670	\$ 209,100	\$ 32,008	\$ 230,282	\$ 28,389	\$ 636,985
Receivables:									
Accounts	-	4,826	-	-	-	-	783	-	5,609
Interest	-	324	79	39	568	-	1,783	221	3,014
Due from other governments	-	-	-	-	5,031	-	-	-	5,031
Prepaid items	214	-	-	21	126	-	-	-	361
TOTAL ASSETS	\$ 10,987	\$ 83,361	\$ 30,631	\$ 17,730	\$ 214,825	\$ 32,008	\$ 232,848	\$ 28,610	\$ 651,000
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 3,692	\$ 2,475	\$ 4,554	\$ 1,601	\$ 17,117	\$ -	\$ -	\$ -	\$ 29,439
Accrued payroll	271	-	-	591	6,723	-	-	-	7,585
Total Liabilities	3,963	2,475	4,554	2,192	23,840	-	-	-	37,024
Fund Balances:									
Reserved for prepaid items	214	-	-	21	126	-	-	-	361
Reserved for library	-	-	-	-	21,003	32,008	-	-	53,011
Reserved for debt service	-	-	-	-	-	-	-	-	-
Reserved for perpetual care	-	-	-	-	-	-	-	-	-
Unreserved	6,810	80,886	26,077	15,517	169,856	0	232,848	28,610	560,604
Total Fund Balances	7,024	80,886	26,077	15,538	190,985	32,008	232,848	28,610	613,976
Total Liabilities and Fund Balances	\$ 10,987	\$ 83,361	\$ 30,631	\$ 17,730	\$ 214,825	\$ 32,008	\$ 232,848	\$ 28,610	\$ 651,000

Debt Service Funds				Capital Projects Funds					Permanent Fund	Total Nonmajor Governmental Funds
1993 M.T.F. Act 175	1998 Building Authority G.O. Debt	Library Debt	Total	Capital Improvement	City Park Improvement	City Building	Residential Improvement	Total	Perpetual Care	
\$ -	\$ 34	\$ 57,745	\$ 57,779	\$ 167,496	\$ 129,782	\$ 341,050	\$ 156,336	\$ 794,664	\$ 961,089	\$ 2,450,517
-	-	-	-	-	-	2,179	-	2,179	-	7,788
-	-	-	-	1,304	788	2,682	1,104	5,878	7,524	16,416
-	-	-	-	-	-	-	-	-	-	5,031
-	-	-	-	-	-	-	-	-	-	361
<u>\$ -</u>	<u>\$ 34</u>	<u>\$ 57,745</u>	<u>\$ 57,779</u>	<u>\$ 168,800</u>	<u>\$ 130,570</u>	<u>\$ 345,911</u>	<u>\$ 157,440</u>	<u>\$ 802,721</u>	<u>\$ 968,613</u>	<u>\$ 2,480,113</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,041	\$ -	\$ 1,041	\$ 148	\$ 30,628
-	-	-	-	-	-	-	-	-	-	7,585
-	-	-	-	-	-	1,041	-	1,041	148	38,213
-	-	-	-	-	-	-	-	-	-	361
-	-	-	-	-	-	-	-	-	-	53,011
-	-	57,745	57,745	-	-	-	-	-	-	57,745
-	-	-	-	-	-	-	-	-	968,465	968,465
-	34	-	34	168,800	130,570	344,870	157,440	801,680	-	1,362,318
-	34	57,745	57,779	168,800	130,570	344,870	157,440	801,680	968,465	2,441,900
<u>\$ -</u>	<u>\$ 34</u>	<u>\$ 57,745</u>	<u>\$ 57,779</u>	<u>\$ 168,800</u>	<u>\$ 130,570</u>	<u>\$ 345,911</u>	<u>\$ 157,440</u>	<u>\$ 802,721</u>	<u>\$ 968,613</u>	<u>\$ 2,480,113</u>

City of Zeeland, Michigan
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2008

	Special Revenue Funds								
	Parking System	CDBG Grant	Brownfield Development Authority	Community Center	Library	Library Endowment	Legal Contingency	Shopping Area Redevelopment Board	Total
Revenues:									
Taxes	\$ -	\$ -	\$ 48,254	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,254
Federal grants	-	23,051	-	-	-	-	-	-	23,051
State shared revenues	-	-	-	-	10,005	-	-	-	10,005
Local unit contributions	-	-	-	-	286,014	-	-	-	286,014
Charges for services	-	-	-	-	12,408	-	-	-	12,408
Fines and forfeitures	3,475	-	-	-	25,886	-	-	-	29,361
Interest and rent	759	5,366	2,222	28,407	6,615	108	11,983	1,503	56,963
Other	22,467	26,910	-	-	2,417	31,900	427	-	84,121
Total Revenues	26,701	55,327	50,476	28,407	343,345	32,008	12,410	1,503	550,177
Expenditures:									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public works	169,661	58,695	-	-	-	-	-	-	228,356
Community and economic development	-	-	34,467	-	-	-	-	1,022	35,489
Recreation and culture	-	-	-	217,916	650,009	-	-	-	867,925
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total Expenditures	169,661	58,695	34,467	217,916	650,009	-	-	1,022	1,131,770
Excess of Revenues Over (Under) Expenditures	(142,960)	(3,368)	16,009	(189,509)	(306,664)	32,008	12,410	481	(581,593)
Other Financing Sources (Uses):									
Transfers in	129,000	-	-	194,000	300,000	-	-	-	623,000
Transfers out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	129,000	-	-	194,000	300,000	-	-	-	623,000
Net Change in Fund Balances	(13,960)	(3,368)	16,009	4,491	(6,664)	32,008	12,410	481	41,407
Fund Balances - July 1	20,984	84,254	10,068	11,047	197,649	-	220,438	28,129	572,569
Fund Balances - June 30	\$ 7,024	\$ 80,886	\$ 26,077	\$ 15,538	\$ 190,985	\$ 32,008	\$ 232,848	\$ 28,610	\$ 613,976

Debt Service Funds				Capital Projects Funds					Permanent Fund	Total Nonmajor Governmental Funds
1993 M.T.F. Act 175	1998 Building Authority G.O. Debt	Library Debt	Total	Capital Improvement	City Park Improvement	City Building	Residential Improvement	Total	Perpetual Care	
\$ -	\$ -	\$ 168,875	\$ 168,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 217,129
-	-	-	-	-	-	-	-	-	-	23,051
-	-	-	-	-	-	-	-	-	-	10,005
-	-	-	-	-	-	-	-	-	-	286,014
-	-	-	-	-	-	-	-	-	34,175	46,583
-	-	-	-	-	-	-	-	-	-	29,361
498	429	2,658	3,585	7,999	5,630	21,047	7,376	42,052	49,747	152,347
-	-	-	-	5,323	20,000	-	22,275	47,598	-	131,719
498	429	171,533	172,460	13,322	25,630	21,047	29,651	89,650	83,922	896,209
-	-	-	-	-	-	-	-	-	173	173
-	-	-	-	-	-	-	-	-	-	228,356
-	-	-	-	-	-	-	-	-	-	35,489
-	-	-	-	-	-	-	-	-	-	867,925
-	-	-	-	27,978	1,100	137,613	-	166,691	19,364	186,055
40,000	65,000	155,000	260,000	-	-	-	-	-	-	260,000
2,700	47,400	37,540	87,640	-	-	-	-	-	-	87,640
42,700	112,400	192,540	347,640	27,978	1,100	137,613	-	166,691	19,537	1,665,638
(42,202)	(111,971)	(21,007)	(175,180)	(14,656)	24,530	(116,566)	29,651	(77,041)	64,385	(769,429)
38,401	110,000	-	148,401	-	-	-	-	-	-	771,401
-	-	-	-	-	-	-	-	-	-	-
38,401	110,000	-	148,401	-	-	-	-	-	-	771,401
(3,801)	(1,971)	(21,007)	(26,779)	(14,656)	24,530	(116,566)	29,651	(77,041)	64,385	1,972
3,801	2,005	78,752	84,558	183,456	106,040	461,436	127,789	878,721	904,080	2,439,928
\$ -	\$ 34	\$ 57,745	\$ 57,779	\$ 168,800	\$ 130,570	\$ 344,870	\$ 157,440	\$ 801,680	\$ 968,465	\$ 2,441,900

City of Zeeland, Michigan
PARKING SYSTEM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final
				Budget
Revenues:				
Fines and forfeitures	\$ 2,200	\$ 2,200	\$ 3,475	\$ 1,275
Interest and rent	500	500	759	259
Other	<u>22,700</u>	<u>22,700</u>	<u>22,467</u>	<u>(233)</u>
Total Revenues	25,400	25,400	26,701	1,301
Expenditures:				
Current:				
Public works	<u>120,996</u>	<u>170,796</u>	<u>169,661</u>	<u>1,135</u>
Excess of Revenues Over (Under) Expenditures	(95,596)	(145,396)	(142,960)	2,436
Other Financing Sources (Uses):				
Transfers in	<u>100,000</u>	<u>129,000</u>	<u>129,000</u>	<u>-</u>
Net Change in Fund Balances	4,404	(16,396)	(13,960)	2,436
Fund Balances - July 1	<u>20,984</u>	<u>20,984</u>	<u>20,984</u>	<u>-</u>
Fund Balances - June 30	<u>\$ 25,388</u>	<u>\$ 4,588</u>	<u>\$ 7,024</u>	<u>\$ 2,436</u>

City of Zeeland, Michigan
CDBG GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Revenues:				
Federal grants	\$ 476,609	\$ 5,000	\$ 23,051	\$ 18,051
Interest and rent	8,000	8,000	5,366	(2,634)
Other	70,000	27,000	26,910	(90)
Total Revenues	554,609	40,000	55,327	15,327
Expenditures:				
Current:				
Public works	933,432	66,120	58,695	7,425
Excess of Revenues Over (Under) Expenditures	(378,823)	(26,120)	(3,368)	22,752
Other Financing Sources (Uses):				
Transfers in	250,000	-	-	-
Net Change in Fund Balances	(128,823)	(26,120)	(3,368)	22,752
Fund Balances - July 1	84,254	84,254	84,254	-
Fund Balances - June 30	<u>\$ (44,569)</u>	<u>\$ 58,134</u>	<u>\$ 80,886</u>	<u>\$ 22,752</u>

City of Zeeland, Michigan
 BROWNFIELD DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
Revenues:				
Taxes	\$ 38,900	\$ 49,754	\$ 48,254	\$ (1,500)
Interest and rent	<u>500</u>	<u>2,000</u>	<u>2,222</u>	<u>222</u>
Total Revenues	39,400	51,754	50,476	(1,278)
Expenditures:				
Current:				
Community and economic development	<u>26,500</u>	<u>34,500</u>	<u>34,467</u>	<u>33</u>
Net Change in Fund Balances	12,900	17,254	16,009	(1,245)
Fund Balances - July 1	<u>10,068</u>	<u>10,068</u>	<u>10,068</u>	<u>-</u>
Fund Balances - June 30	<u>\$ 22,968</u>	<u>\$ 27,322</u>	<u>\$ 26,077</u>	<u>\$ (1,245)</u>

City of Zeeland, Michigan
COMMUNITY CENTER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
Revenues:				
Interest and rent	\$ 25,500	\$ 25,500	\$ 28,407	\$ 2,907
Expenditures:				
Current:				
Recreation and culture	<u>213,960</u>	<u>221,260</u>	<u>217,916</u>	<u>3,344</u>
Excess of Revenues Over (Under) Expenditures	(188,460)	(195,760)	(189,509)	6,251
Other Financing Sources (Uses):				
Transfers in	<u>190,000</u>	<u>194,000</u>	<u>194,000</u>	<u>-</u>
Net Change in Fund Balances	1,540	(1,760)	4,491	6,251
Fund Balances - July 1	<u>11,047</u>	<u>11,047</u>	<u>11,047</u>	<u>-</u>
Fund Balances - June 30	<u>\$ 12,587</u>	<u>\$ 9,287</u>	<u>\$ 15,538</u>	<u>\$ 6,251</u>

City of Zeeland, Michigan
LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Revenues:				
State shared revenues	\$ 5,000	\$ 5,000	\$ 10,005	\$ 5,005
Local unit contributions	269,700	269,700	286,014	16,314
Charges for services	8,000	8,000	12,408	4,408
Fines and forfeitures	18,000	18,000	25,886	7,886
Interest and rent	4,000	4,000	6,615	2,615
Other	48,000	48,750	2,417	(46,333)
Total Revenues	352,700	353,450	343,345	(10,105)
Expenditures:				
Current:				
Recreation and culture	641,250	650,650	650,009	641
Excess of Revenues Over (Under) Expenditures	(288,550)	(297,200)	(306,664)	(9,464)
Other Financing Sources (Uses):				
Transfers in	300,000	300,000	300,000	-
Net Change in Fund Balances	11,450	2,800	(6,664)	(9,464)
Fund Balances - July 1	197,649	197,649	197,649	-
Fund Balances - June 30	\$ 209,099	\$ 200,449	\$ 190,985	\$ (9,464)

City of Zeeland, Michigan
LIBRARY ENDOWMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final
				Budget
Revenues:				
Interest and rent	\$ -	\$ -	\$ 108	\$ 108
Foundation income	-	31,900	31,900	-
Total Revenues	-	31,900	32,008	108
Expenditures:				
Current:				
Recreation and culture	-	-	-	-
Net Change in Fund Balances	-	31,900	32,008	108
Fund Balances - July 1	-	-	-	-
Fund Balances - June 30	<u>\$ -</u>	<u>\$ 31,900</u>	<u>\$ 32,008</u>	<u>\$ 108</u>

City of Zeeland, Michigan
LEGAL CONTINGENCY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
Revenues:				
Interest and rent	\$ 8,000	\$ 8,000	\$ 11,983	\$ 3,983
Other	-	-	427	427
Total Revenues	8,000	8,000	12,410	4,410
Expenditures:				
Current:				
General government	-	-	-	-
Net Change in Fund Balances	8,000	8,000	12,410	4,410
Fund Balances - July 1	<u>220,438</u>	<u>220,438</u>	<u>220,438</u>	<u>-</u>
Fund Balances - June 30	<u>\$ 228,438</u>	<u>\$ 228,438</u>	<u>\$ 232,848</u>	<u>\$ 4,410</u>

City of Zeeland, Michigan
SHOPPING AREA REDEVELOPMENT BOARD SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
Revenues:				
Interest and rent	\$ 100	\$ 100	\$ 1,503	\$ 1,403
Expenditures:				
Current:				
Community and economic development	<u>600</u>	<u>3,550</u>	<u>1,022</u>	<u>2,528</u>
Net Change in Fund Balances	(500)	(3,450)	481	3,931
Fund Balances - July 1	<u>28,129</u>	<u>28,129</u>	<u>28,129</u>	<u>-</u>
Fund Balances - June 30	<u>\$ 27,629</u>	<u>\$ 24,679</u>	<u>\$ 28,610</u>	<u>\$ 3,931</u>

City of Zeeland, Michigan
1993 M.T.F. ACT 175 DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final
				Budget
Revenues:				
Interest and rent	\$ -	\$ -	\$ 498	\$ 498
Expenditures:				
Debt service				
Principal	40,000	40,000	40,000	-
Interest	2,975	2,975	2,700	275
Total Expenditures	42,975	42,975	42,700	275
Excess of Revenues Over (Under) Expenditures	(42,975)	(42,975)	(42,202)	773
Other Financing Sources (Uses):				
Transfers in	39,600	38,401	38,401	-
Net Change in Fund Balances	(3,375)	(4,574)	(3,801)	773
Fund Balances - July 1	3,801	3,801	3,801	-
Fund Balances - June 30	\$ 426	\$ (773)	\$ -	\$ 773

City of Zeeland, Michigan
1998 BUILDING AUTHORITY G.O. DEBT DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final
				Budget
Revenues:				
Interest and rent	\$ 450	\$ 450	\$ 429	\$ (21)
Expenditures:				
Debt service				
Principal	65,000	65,000	65,000	-
Interest	47,500	47,500	47,400	100
Total Expenditures	112,500	112,500	112,400	100
Excess of Revenues Over (Under) Expenditures	(112,050)	(112,050)	(111,971)	79
Other Financing Sources (Uses):				
Transfers in	110,000	110,000	110,000	-
Net Change in Fund Balances	(2,050)	(2,050)	(1,971)	79
Fund Balances - July 1	2,005	2,005	2,005	-
Fund Balances - June 30	\$ (45)	\$ (45)	\$ 34	\$ 79

City of Zeeland, Michigan
LIBRARY DEBT DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final
				Budget
Revenues:				
Taxes	\$ 158,950	\$ 158,950	\$ 168,875	\$ 9,925
Interest and rent	5,000	5,000	2,658	(2,342)
Total Revenues	<u>163,950</u>	<u>163,950</u>	<u>171,533</u>	<u>7,583</u>
Expenditures:				
Debt service				
Principal	155,000	155,000	155,000	-
Interest	<u>38,040</u>	<u>38,040</u>	<u>37,540</u>	<u>500</u>
Total Expenditures	<u>193,040</u>	<u>193,040</u>	<u>192,540</u>	<u>500</u>
Net Change in Fund Balances	(29,090)	(29,090)	(21,007)	8,083
Fund Balances - July 1	<u>78,752</u>	<u>78,752</u>	<u>78,752</u>	<u>-</u>
Fund Balances - June 30	<u>\$ 49,662</u>	<u>\$ 49,662</u>	<u>\$ 57,745</u>	<u>\$ 8,083</u>

Supplemental Data

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Building Maintenance Fund--this fund is used to account for the expense of building operations and maintenance of all city buildings.

Motor Pool Fund--this fund is used to account for the rental of motor vehicles and machinery and equipment to other departments and related costs.

Health Care Self Insurance Fund--this fund is used to account for costs associated for the city's health insurance program. All claims, premiums and administrative expenses are paid from this fund.

City of Zeeland, Michigan
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
June 30, 2008

	<u>Building Maintenance</u>	<u>Motor Pool</u>	<u>Health Care Self-Insurance</u>	<u>Total</u>
ASSETS				
Current Assets:				
Cash and investments	\$ 119,988	\$ 1,732,548	\$ 1,307,891	\$ 3,160,427
Receivables:				
Accounts	-	-	38,215	38,215
Interest	625	10,345	-	10,970
Prepaid items	<u>556</u>	<u>419</u>	<u>-</u>	<u>975</u>
 Total Current Assets	 <u>121,169</u>	 <u>1,743,312</u>	 <u>1,346,106</u>	 <u>3,210,587</u>
 Capital assets:				
Land	-	225,000	-	225,000
Land improvements	-	105,710	-	105,710
Buildings and improvements	-	2,118,625	-	2,118,625
Machinery and equipment	-	3,035,707	-	3,035,707
Less accumulated depreciation	<u>-</u>	<u>(1,418,466)</u>	<u>-</u>	<u>(1,418,466)</u>
 Total Capital Assets	 <u>-</u>	 <u>4,066,576</u>	 <u>-</u>	 <u>4,066,576</u>
 Total Assets	 <u>121,169</u>	 <u>5,809,888</u>	 <u>1,346,106</u>	 <u>7,277,163</u>
 LIABILITIES				
Current Liabilities:				
Accounts payable	16,956	14,194	43,528	74,678
Accrued payroll	<u>2,699</u>	<u>1,221</u>	<u>-</u>	<u>3,920</u>
 Total Current Liabilities	 <u>19,655</u>	 <u>15,415</u>	 <u>43,528</u>	 <u>78,598</u>
 NET ASSETS				
Invested in capital assets, net of related debt	-	4,066,576	-	4,066,576
Unrestricted	<u>101,514</u>	<u>1,727,897</u>	<u>1,302,578</u>	<u>3,131,989</u>
 Total Net Assets	 <u>\$ 101,514</u>	 <u>\$ 5,794,473</u>	 <u>\$ 1,302,578</u>	 <u>\$ 7,198,565</u>

City of Zeeland, Michigan
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2008

	Building Maintenance	Motor Pool	Health Care Self-Insurance	Total
Operating Revenues:				
Charges for services	\$ 455,000	\$ 504,767	\$ 1,086,789	\$ 2,046,556
Other revenue	<u>-</u>	<u>4,193</u>	<u>34,131</u>	<u>38,324</u>
Total Operating Revenues	<u>455,000</u>	<u>508,960</u>	<u>1,120,920</u>	<u>2,084,880</u>
Operating Expenses:				
Supplies and other operating expenses	421,387	287,161	860,682	1,569,230
General and administrative	-	-	37,407	37,407
Depreciation	<u>-</u>	<u>291,253</u>	<u>-</u>	<u>291,253</u>
Total Operating Expenses	<u>421,387</u>	<u>578,414</u>	<u>898,089</u>	<u>1,897,890</u>
Operating Income	<u>33,613</u>	<u>(69,454)</u>	<u>222,831</u>	<u>186,990</u>
Nonoperating Revenues (Expenses)				
Interest earned	4,576	81,510	40,627	126,713
Gain on sale of capital assets	<u>-</u>	<u>24,174</u>	<u>-</u>	<u>24,174</u>
Total Nonoperating Revenues (Expenses)	<u>4,576</u>	<u>105,684</u>	<u>40,627</u>	<u>150,887</u>
Income Before Contributions and Transfers	38,189	36,230	263,458	337,877
Capital contributions	<u>-</u>	<u>2,489,274</u>	<u>-</u>	<u>2,489,274</u>
Change in Net Assets	38,189	2,525,504	263,458	2,827,151
Net Assets - July 1	<u>63,325</u>	<u>3,268,969</u>	<u>1,039,120</u>	<u>4,371,414</u>
Net Assets - June 30	<u>\$ 101,514</u>	<u>\$ 5,794,473</u>	<u>\$ 1,302,578</u>	<u>\$ 7,198,565</u>

City of Zeeland, Michigan
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2008

	Building Maintenance	Motor Pool	Health Care Self-Insurance	Total
Cash Flows From Operating Activities:				
Payments to suppliers	\$ (308,240)	\$ (224,649)	\$ (933,031)	\$ (1,465,920)
Payments to employees	(112,453)	(61,828)	-	(174,281)
Received from interfund charges	455,000	504,767	1,086,789	2,046,556
Other receipts (payments)	-	4,193	34,131	38,324
Net Cash Provided (Used) By Operating Activities	<u>34,307</u>	<u>222,483</u>	<u>187,889</u>	<u>444,679</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	(181,032)	-	(181,032)
Proceeds from sale of capital assets	-	24,174	-	24,174
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>-</u>	<u>(156,858)</u>	<u>-</u>	<u>(156,858)</u>
Cash Flows From Investing Activities:				
Interest received on investments	<u>4,367</u>	<u>79,531</u>	<u>40,627</u>	<u>124,525</u>
Net Increase (Decrease) in Cash and Investments	38,674	145,156	228,516	412,346
Cash and Investments - July 1	<u>81,315</u>	<u>1,587,392</u>	<u>1,079,375</u>	<u>2,748,082</u>
Cash and Investments - June 30	<u>\$ 119,989</u>	<u>\$ 1,732,548</u>	<u>\$ 1,307,891</u>	<u>\$ 3,160,428</u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:				
Operating income	\$ 33,613	\$ (69,454)	\$ 222,831	\$ 186,990
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	-	291,253	-	291,253
Change in assets and liabilities:				
Receivables	-	-	(38,215)	(38,215)
Prepaid items	(37)	(136)	-	(173)
Accounts payable	212	594	3,273	4,079
Accrued and other liabilities	519	226	-	745
Net Cash Provided (Used) By Operating Activities	<u>\$ 34,307</u>	<u>\$ 222,483</u>	<u>\$ 187,889</u>	<u>\$ 444,679</u>
Noncash capital financing activities:				
Contribution of capital assets from other funds	<u>\$ -</u>	<u>\$ 2,489,274</u>	<u>\$ -</u>	<u>\$ 2,489,274</u>

Agency Funds

Agency funds are used to account for assets held by a government as an agent for individuals, private organizations, other governmental units and/ or other funds.

Trust and Agency Fund--was established to account for customer deposits in connection with the Electric Fund.

Section 125 Benefits Fund--was established to account for a redirection of employee wages for the purpose of allowing the employee pre-tax savings on supplemental insurance, dependent day care and unreimbursed expenses.

Property Tax Collection Fund--was established to account for taxes levied for other taxing jurisdictions and collections paid in advance.

City of Zeeland, Michigan
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2008

	Trust and Agency	Section 125 Benefits	Property Tax Collection	Total
ASSETS				
Cash and investments	\$ 127,398	\$ 386	\$ 1,800	\$ 129,584
LIABILITIES				
Accounts payable	\$ -	\$ 386	\$ -	\$ 386
Customer deposits	127,398	-	-	127,398
Due to other governments	-	-	1,800	1,800
 Total Liabilities	 \$ 127,398	 \$ 386	 \$ 1,800	 \$ 129,584

City of Zeeland, Michigan
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2008

	<u>Balances</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>June 30, 2008</u>
Trust and Agency Fund:				
ASSETS				
Cash	\$ 105,946	\$ 59,043	\$ 37,591	\$ 127,398
LIABILITIES				
Customer Deposits	\$ 105,946	\$ 59,043	\$ 37,591	\$ 127,398
Section 125 Benefits Fund:				
ASSETS				
Cash	\$ 1,509	\$ 35,056	\$ 36,179	\$ 386
LIABILITIES				
Accounts payable	\$ 1,509	\$ 35,056	\$ 36,179	\$ 386
Property Tax Collection Fund:				
ASSETS				
Cash	\$ 4,155	\$ 27,967,590	\$ 27,969,945	\$ 1,800
LIABILITIES				
Due to other governments	\$ 4,155	\$ 27,967,590	\$ 27,969,945	\$ 1,800
Total All Agency Funds:				
ASSETS				
Cash	\$ 111,610	\$ 28,061,689	\$ 28,043,715	\$ 129,584
LIABILITIES				
Customer deposits	\$ 105,946	\$ 59,043	\$ 37,591	\$ 127,398
Accounts payable	1,509	35,056	36,179	386
Due to other governments	4,155	27,967,590	27,969,945	1,800
Total Liabilities	\$ 111,610	\$ 28,061,689	\$ 28,043,715	\$ 129,584

STATISTICAL SECTION

This part of the City of Zeeland's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.</i>	55-62
Revenue Capacity <i>These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property taxes.</i>	63-73
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.</i>	74-82
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.</i>	83-84
Operating Information <i>These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.</i>	85-89

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Zeeland
NET ASSETS BY COMPONENT
2003¹ Through 2008
(Accrual Basis of Accounting)

Table 1

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental activities						
Investment in capital assets, net of related debt	\$ 13,494,266	\$ 15,634,224	\$ 16,797,135	\$ 17,811,055	\$ 18,434,067	\$ 18,672,336
Restricted	1,047,786	1,103,472	1,205,899	1,019,607	1,049,329	1,079,221
Unrestricted	6,195,770	4,864,250	5,435,110	6,194,063	6,817,771	7,512,859
Total Governmental Activities Net Assets	\$ 20,737,822	\$ 21,601,946	\$ 23,438,144	\$ 25,024,725	\$ 26,301,167	\$ 27,264,416
Business-type activities						
Investment in capital assets, net of related debt	\$ 28,276,427	\$ 29,816,664	\$ 31,051,005	\$ 36,715,065	\$ 38,303,589	\$ 39,705,859
Restricted	1,824,232	1,649,895	1,649,895	1,567,500	1,567,500	1,567,500
Unrestricted	21,901,828	23,499,945	25,788,061	24,779,492	29,876,049	33,805,692
Total Business-type activities net assets	\$ 52,002,487	\$ 54,966,504	\$ 58,488,961	\$ 63,062,057	\$ 69,747,138	\$ 75,079,051
Primary government						
Investment in capital assets, net of related debt	\$ 41,770,693	\$ 45,450,888	\$ 47,848,140	\$ 54,526,120	\$ 56,737,656	\$ 58,378,195
Restricted	2,872,018	2,753,367	2,855,794	6,587,107	2,616,829	2,646,721
Unrestricted	28,097,598	28,364,195	31,223,171	30,973,555	36,693,820	41,318,551
Total primary government net assets	\$ 72,740,309	\$ 76,568,450	\$ 81,927,105	\$ 92,086,782	\$ 96,048,305	\$ 102,343,467

¹ 2003 Is First Year Available

City of Zeeland
CHANGES IN NET ASSETS
2003¹ Through 2008
(Accrual Basis of Accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities:						
General government	\$ 1,167,596	\$ 1,491,032	\$ 1,464,461	\$ 1,551,802	\$ 1,397,008	\$ 1,325,574
Public safety	1,425,273	1,569,481	1,596,297	1,566,566	1,590,617	1,744,568
Public works	1,414,933	1,678,934	1,653,600	1,757,575	2,187,110	2,093,787
Community and economic development	87,308	81,503	69,799	87,883	190,998	240,532
Recreation and culture	999,616	911,645	979,687	1,156,064	1,119,817	1,205,154
Interest on long-term debt	161,393	132,072	122,436	149,395	190,276	177,673
Total governmental activities	<u>5,256,119</u>	<u>5,864,667</u>	<u>5,886,280</u>	<u>6,269,285</u>	<u>6,675,826</u>	<u>6,787,288</u>
Business-type activities						
Electric utility	13,528,626	13,623,753	15,525,207	17,218,625	14,486,594	17,991,250
Water utility	2,568,071	2,639,329	2,611,241	2,622,554	2,689,487	2,808,641
Clean water utility	1,148,079	1,200,559	1,154,119	1,235,589	1,249,739	1,364,377
Total business-type activities	<u>17,244,776</u>	<u>17,463,641</u>	<u>19,290,567</u>	<u>21,076,768</u>	<u>18,425,820</u>	<u>22,164,268</u>
Total primary government expenses	<u>\$ 22,500,895</u>	<u>\$ 23,328,308</u>	<u>\$ 25,176,847</u>	<u>\$ 27,346,053</u>	<u>\$ 25,101,646</u>	<u>\$ 28,951,556</u>
Program Revenues						
Governmental activities:						
Charges for services:						
General government	\$ 90,086	\$ 72,949	\$ 135,206	\$ 199,318	\$ 161,359	\$ 109,630
Public safety	43,351	72,281	172,126	56,026	80,355	81,539
Public works	6,715	12,383	24,491	29,458	25,936	27,867
Community and economic development	13,900	18,495	19,352	22,150	18,918	11,910
Recreation and culture	48,041	57,820	56,750	55,074	65,864	66,287
Operating grants and contributions	687,884	688,041	668,186	706,947	747,704	754,826
Capital grants and contributions	216,660	101,079	1,153,192	835,413	794,026	100,284
Total governmental activities	<u>1,106,637</u>	<u>1,023,048</u>	<u>2,229,303</u>	<u>1,904,386</u>	<u>1,894,162</u>	<u>1,152,343</u>
Business-type activities						
Charges for services:						
Electric utility	15,862,628	15,903,445	17,133,817	20,153,855	18,408,779	20,933,353
Water utility	3,017,125	2,911,415	3,136,499	3,254,846	3,350,163	3,487,286
Clean water utility	1,412,044	1,406,202	1,569,012	1,604,482	1,695,553	1,621,326
Capital grants and contributions	323,117	407,909	530,834	287,971	369,125	554,735
Total business-type activities	<u>20,614,914</u>	<u>20,628,971</u>	<u>22,370,162</u>	<u>25,301,154</u>	<u>23,823,620</u>	<u>26,596,700</u>
Total primary government program revenues	<u>\$ 21,721,551</u>	<u>\$ 21,652,019</u>	<u>\$ 24,599,465</u>	<u>\$ 27,205,540</u>	<u>\$ 25,717,782</u>	<u>\$ 27,749,043</u>
Net (Expense) Revenue						
Governmental activities	\$ (4,149,482)	\$ (4,841,619)	\$ (3,656,977)	\$ (4,364,899)	\$ (4,781,664)	\$ (5,634,945)
Business-type activities	<u>3,370,138</u>	<u>3,165,330</u>	<u>3,079,595</u>	<u>4,224,386</u>	<u>5,397,800</u>	<u>4,432,432</u>
Total primary government net (expense) revenue	<u>\$ (779,344)</u>	<u>\$ (1,676,289)</u>	<u>\$ (577,382)</u>	<u>\$ (140,513)</u>	<u>\$ 616,136</u>	<u>\$ (1,202,513)</u>

(Continued)

Table 2

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes	\$ 4,123,781	\$ 4,412,908	\$ 4,295,400	\$ 4,387,708	\$ 4,504,467	\$ 4,895,267
State shared revenue	745,664	578,090	571,833	563,245	549,155	546,150
Investment earnings	192,169	161,918	199,875	278,159	530,023	467,117
Gain on sale of capital assets	141,822	79,719	8,450	322,829	29,790	24,174
Other	58,322	101,424	27,742	22,249	49,821	112,547
Contributions to permanent funds	38,815	29,755	45,875	32,790	47,250	34,175
Transfers - internal activities	346,704	341,929	344,000	344,500	347,600	518,764
Total governmental activities	<u>5,647,277</u>	<u>5,705,743</u>	<u>5,493,175</u>	<u>5,951,480</u>	<u>6,058,106</u>	<u>6,598,194</u>
Business-type activities						
Investment earnings	550,719	58,342	731,551	589,708	1,504,509	1,299,615
Gain on sale of capital assets	(14,525)	17,871	2,361	43,440	28,614	9,145
Other	(176,703)	64,403	52,950	60,062	101,758	109,485
Transfers - internal activities	(346,704)	(341,929)	(344,000)	(344,500)	(347,600)	(518,764)
Total business-type activities	<u>12,787</u>	<u>(201,313)</u>	<u>442,862</u>	<u>348,710</u>	<u>1,287,281</u>	<u>899,481</u>
Total primary government	<u>\$ 5,660,064</u>	<u>\$ 5,504,430</u>	<u>\$ 5,936,037</u>	<u>\$ 6,300,190</u>	<u>\$ 7,345,387</u>	<u>\$ 7,497,675</u>
Changes in Net Assets						
Governmental activities	\$ 1,497,795	\$ 864,124	\$ 1,836,198	\$ 1,586,581	\$ 1,276,442	\$ 963,249
Business-type activities	3,382,925	2,964,017	3,522,457	4,573,096	6,685,081	5,331,913
Total primary government	<u>\$ 4,880,720</u>	<u>\$ 3,828,141</u>	<u>\$ 5,358,655</u>	<u>\$ 6,159,677</u>	<u>\$ 7,961,523</u>	<u>\$ 6,295,162</u>

¹ 2003 Is First Year Available

City of Zeeland
GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 3

<u>Fiscal Year Ended June 30</u>	<u>General Property Tax</u>	<u>Street Millage</u>	<u>Brownfield Development Authority</u>	<u>Debt Service</u>
1999	\$ 2,794,853	\$ 421,002 ¹	\$ -	\$ 200,683
2000	3,068,152	495,975	-	210,791
2001	3,148,587	510,422	-	192,770
2002	2,968,779	575,150	-	217,216
2003	3,289,293	653,684 ²	-	180,804
2004	4,210,780	-	-	202,128
2005	4,108,392	-	-	187,008
2006	4,175,591	-	21,245 ¹	190,872
2007	4,310,152	-	38,219	156,096
2008	4,678,138	-	48,254	168,875

¹ First year of tax

² Last year of tax

City of Zeeland, Michigan
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal			
	1999	2000	2001	2002
General Fund				
Reserved	\$ 38,341	\$ 36,871	\$ 24,134	\$ 10,360
Unreserved	1,105,298	1,237,073	1,063,686	1,426,592
Total General Fund	<u>\$ 1,143,639</u>	<u>\$ 1,273,944</u>	<u>\$ 1,087,820</u>	<u>\$ 1,436,952</u>
All Other Governmental Funds				
Reserved	\$ 731,606	\$ 835,511	\$ 950,098	\$ 1,042,621
Unreserved, reported in:				
Special Revenue Funds	831,322	1,930,743	1,655,573	1,069,295
Debt Service Funds	6,500	16,375	10,443	12,459
Capital Projects Funds	1,739,205	1,010,106	2,050,111	2,114,303
Total All Other Governmental Funds	<u>\$ 3,308,633</u>	<u>\$ 3,792,735</u>	<u>\$ 4,666,225</u>	<u>\$ 4,238,678</u>

Year**Table 4**

2003	2004	2005	2006	2007	2008
\$ 15,172	\$ 31,693	\$ 56,239	\$ 4,828	\$ 6,412	\$ 4,597
<u>1,411,786</u>	<u>1,791,087</u>	<u>1,763,818</u>	<u>2,227,120</u>	<u>2,326,289</u>	<u>2,675,953</u>
<u>\$ 1,426,958</u>	<u>\$ 1,822,780</u>	<u>\$ 1,820,057</u>	<u>\$ 2,231,948</u>	<u>\$ 2,332,701</u>	<u>\$ 2,680,550</u>
\$ 1,088,710	\$ 1,113,599	\$ 1,205,899	\$ 2,792,140	\$ 1,049,624	\$ 1,081,857
1,843,682	897,372	1,311,737	1,102,301	1,354,395	1,448,264
10,094	3,123	4,993	5,669	5,806	34
<u>957,505</u>	<u>650,576</u>	<u>447,676</u>	<u>826,006</u>	<u>878,721</u>	<u>801,680</u>
<u>\$ 3,899,991</u>	<u>\$ 2,664,670</u>	<u>\$ 2,970,305</u>	<u>\$ 4,726,116</u>	<u>\$ 3,288,546</u>	<u>\$ 3,331,835</u>

City of Zeeland, Michigan
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal			
	1999	2000	2001	2002
Revenues				
Taxes	\$ 3,416,538	\$ 3,774,918	\$ 3,851,779	\$ 3,761,145
Special assessments	64,717	113,196	53,271	27,307
Licenses and permits	79,255	73,155	78,243	88,145
Intergovernmental:				
State	1,058,971	1,061,851	1,117,396	1,101,703
Grants	55,850	310,468	25,000	-
Local unit contributions	247,786	181,973	192,452	211,748
Charges for services	146,863	137,912	165,854	140,267
Fines and forfeitures	46,991	52,694	39,820	44,679
Interest and rentals	302,621	336,033	494,985	314,451
Reimbursements	-	-	-	-
Private contributions	49,012	64,708	48,903	27,978
Other	271,435	31,413	48,595	107,165
Total Revenues	5,740,039	6,138,321	6,116,298	5,824,588
Expenditures				
General government	735,180	780,135	809,962	805,859
Public safety	814,516	972,554	998,794	1,056,930
Public works	2,419,076	1,020,485	2,040,604	2,150,422
Community and economic development	2,771	2,542	2,670	7,260
Recreation and culture	598,854	567,904	613,941	634,223
Insurance and other	484,359	533,017	608,183	713,773
Capital outlay	1,046,275	1,754,211	336,022	486,934
Debt service:				
Principal	330,000	200,000	220,000	175,000
Interest	175,263	217,659	184,532	172,309
Total Expenditures	6,606,294	6,048,507	5,814,708	6,202,710
Excess of Revenues				
Over (Under) Expenditures	(866,255)	89,814	301,590	(378,122)
Other Financing Sources (Uses)				
Bonds issued	1,372,000	-	-	-
Discount on bonds issued	-	-	-	-
Payment to refunding escrow	-	-	-	-
Proceeds- sale of capital assets	-	-	-	-
Transfers in	2,507,501	2,361,593	3,674,368	2,221,947
Transfers out	(2,089,754)	(1,837,000)	(3,288,593)	(1,922,240)
Total Other Financing Sources (Uses)	1,789,747	524,593	385,775	299,707
Net Changes in Fund Balances	\$ 923,492	\$ 614,407	\$ 687,365	\$ (78,415)
Debt service as a percentage of noncapital expenditures	9.09%	9.73%	7.38%	6.08%

Year

Table 5

2003	2004	2005	2006	2007	2008
\$ 4,123,781	\$ 4,412,908	\$ 4,295,400	\$ 4,387,708	\$ 4,504,467	\$ 4,895,267
27,788	-	-	-	-	-
79,548	103,610	199,632	91,876	114,302	117,276
1,151,033	1,021,500	999,132	983,045	973,047	980,645
6,000	46,416	1,141,804	411,991	413,166	23,051
217,676	222,951	232,226	243,453	280,605	286,014
129,918	132,182	130,967	95,475	121,188	95,652
36,917	56,235	58,076	56,640	58,896	61,814
167,411	164,039	213,725	269,143	480,706	418,145
217,272	-	-	-	-	-
47,882	-	-	-	-	-
33,882	154,882	66,349	171,659	493,738	203,023
6,239,108	6,314,723	7,337,311	6,710,990	7,440,115	7,080,886
920,553	1,156,122	1,108,848	1,354,763	1,283,268	1,254,049
1,155,303	1,171,332	1,183,683	1,511,068	1,559,896	1,678,483
1,055,383	2,657,019	2,668,064	2,359,935	2,256,665	2,243,690
-	72,161	58,759	87,883	190,998	244,989
621,409	644,478	672,212	949,848	999,404	1,083,947
850,710	867,041	884,035	54,290	11,343	11,923
2,094,069	596,122	433,058	604,110	2,301,547	186,055
185,000	230,000	230,000	240,000	325,000	335,000
163,916	131,195	113,540	104,908	196,411	170,376
7,046,343	7,525,470	7,352,199	7,266,805	9,124,532	7,208,512
(807,235)	(1,210,747)	(14,888)	(555,815)	(1,684,417)	(127,626)
-	1,648,950	-	2,100,000	-	-
-	-	-	(20,983)	-	-
-	(1,570,431)	-	-	-	-
156,200	-	-	300,000	-	-
2,055,484	2,626,380	2,593,088	2,114,558	2,438,600	2,625,165
(1,753,130)	(2,313,651)	(2,295,288)	(1,770,058)	(2,091,000)	(2,106,401)
458,554	391,248	297,800	2,723,517	347,600	518,764
\$ (348,681)	\$ (819,499)	\$ 282,912	\$ 2,167,702	\$ (1,336,817)	\$ 391,138
6.91%	7.00%	6.87%	7.28%	9.03%	8.77%

City of Zeeland, Michigan
STATE EQUALIZED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Ad Valorem Roll
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property			Personal Property		
	Taxable Value	State Equalized Value	Estimated Actual Value	Taxable Value	State Equalized Value	Estimated Actual Value
1999	\$ 138,925,187	\$ 152,407,600	\$ 304,815,200	\$ 45,829,000	\$ 45,829,000	\$ 91,658,000
2000	146,275,373	166,665,000	333,330,000	47,399,000	47,399,000	94,798,000
2001	153,749,163	175,814,200	351,628,400	47,733,900	47,733,900	95,467,800
2002	163,312,393	186,640,200	373,280,400	50,136,800	50,136,800	100,273,600
2003	172,485,944	201,240,400	402,480,800	49,387,300	49,387,300	98,774,600
2004	179,679,963	214,320,600	428,641,200	48,309,000	48,309,000	96,618,000
2005	184,345,185	214,738,800	429,477,600	47,012,900	47,012,900	94,025,800
2006	191,586,140	218,231,500	436,463,000	46,996,300	46,996,300	93,992,600
2007	198,054,275	225,594,000	451,188,000	47,319,800	47,319,800	94,639,600
2008	229,437,001	253,693,600	507,387,200	59,945,200	59,945,200	119,890,400

Source: City of Zeeland

The City is authorized by Charter to levy 15 mills for operations. The maximum allowable millage rate after Headlee Rollback reduction is 14.1636 for 2008.

The City is authorized by vote to levy up to 1 mill for debt. The maximum allowable millage rate after Headlee Rollback rollback is .9912 mills for 2008

Valuations are stated as of the March Board of Review.

Taxable property is assessed initially by the city assessing officials, then equalized by Ottawa County and finally by the State. In accordance with Act 409, P.A. 1965, and Article IX, Section 3 of the Michigan Constitution, State Equalized Value ("SEV") represents 50% of true cash value.

On March 15, 1994, the people of the State of Michigan approved an amendment to the Michigan Constitution. The Amendment and implementing legislation limit the growth in assessments ("capped value") for each parcel of property to the percentage change in State Equalized Value, the rate of inflation, or 5%, whichever is less. When ownership of the parcel of property is transferred as defined by law, the parcel shall be assessed at the applicable proportion of current true cash value. The lower of the "capped value" or SEV is the Taxable Value of each parcel.

State Equalized Value and Taxable Value do not include any value of tax exempt property or property granted abatement under either Act 198, Michigan Public Acts of 1974, as amended ("Act 198") or Act 255, Michigan Public Acts of 1978, as amended ("Act 255"). Such an abatement entitles a facility to exemption from ad valorem property taxes for a period of up to 12 years. In lieu of the property tax, the facility pays a reduced tax.

Table 6

Total Ad Valorem Taxable Property			Tax Rate Mills	Taxable Value as a Percentage of Actual Value
Taxable Value	State Equalized Value	Estimated Actual Value		
\$ 184,754,187	\$ 198,236,600	\$ 396,473,200	15.8500	46.60%
193,674,373	214,064,000	428,128,000	15.1000	45.24%
201,483,063	223,548,100	447,096,200	14.8858	45.06%
213,449,193	236,777,000	473,554,000	12.8858	45.07%
221,873,244	250,627,700	501,255,400	12.3852	44.26%
227,988,963	262,629,600	525,259,200	11.3854	43.41%
231,358,085	261,751,700	523,503,400	11.3854	44.19%
238,582,440	265,227,800	530,455,600	11.3854	44.98%
245,374,075	272,913,800	545,827,600	11.3854	44.95%
289,382,201	313,638,800	627,277,600	11.3854	46.13%

City of Zeeland, Michigan
STATE EQUALIZED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Industrial Facilities Tax Roll
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property - IFT Roll			Personal Property - IFT Roll		
	Taxable Value	State Equalized Value	Estimated Actual Value	Taxable Value	State Equalized Value	Estimated Actual Value
1999	\$ 45,516,287	\$ 46,845,200	\$ 93,690,400	\$ 57,533,700	\$ 57,533,700	\$ 115,067,400
2000	46,143,533	52,944,700	105,889,400	62,482,300	62,482,300	124,964,600
2001	50,346,581	56,382,800	112,765,600	60,537,400	60,537,400	121,074,800
2002	86,734,539	92,007,700	184,015,400	65,644,300	65,644,300	131,288,600
2003	142,466,841	144,436,700	288,873,400	85,681,300	85,681,300	171,362,600
2004	170,406,913	171,737,400	343,474,800	108,673,800	108,673,800	217,347,600
2005	180,511,200	181,423,000	362,846,000	104,846,900	104,846,900	209,693,800
2006	182,998,137	183,296,500	366,593,000	104,268,900	104,268,900	208,537,800
2007	185,484,800	185,484,800	370,969,600	103,935,000	103,935,000	207,870,000
2008	169,426,200	169,426,200	338,852,400	96,355,200	96,355,200	192,710,400

The city is authorized by Charter to levy 15 mills for operations. The maximum allowable millage rate after Headlee Rollback reduction is 14.1636 for 2008.

The City is authorized by vote to levy up to 1 mill for debt. The maximum allowable millage rate after Headlee Rollback rollback is .9912 mills for 2008.

Valuations are stated as of the March Board of Review.

Taxable property is assessed initially by the city assessing officials, then equalized by Ottawa County and finally by the State. In accordance with Act 409, P.A. 1965, and Article IX, Section 3 of the Michigan Constitution, State Equalized Value ("SEV") represents 50% of true cash value.

On March 15, 1994, the people of the State of Michigan approved an amendment to the Michigan Constitution. The Amendment and implementing legislation limit the growth in assessments ("capped value") for each parcel of property to the percentage change in State Equalized Value, the rate of inflation, or 5%, whichever is less. When ownership of the parcel of property is transferred as defined by law, the parcel shall be assessed at the applicable proportion of current true cash value. The lower of the "capped value" or SEV is the Taxable Value of each parcel.

State Equalized Value and Taxable Value includes only the value of property granted abatement under either Act 198, Michigan Public Acts of 1974, as amended ("Act 198") or Act 255, Michigan Public Acts of 1978, as amended ("Act 255"). Such an abatement entitles a facility to exemption from ad valorem property taxes for a period of up to 12 years. In lieu of the property tax, the facility pays a reduced tax.

Table 7

Total Taxable Property - IFT Roll			Tax Rate Mills	Taxable Value as a Percentage of Actual Value
Taxable Value	State Equalized Value	Estimated Actual Value		
\$ 103,049,987	\$ 104,378,900	\$ 208,757,800	6.9250	49.36%
108,625,833	115,427,000	230,854,000	7.9250	47.05%
110,883,981	116,920,200	233,840,400	7.5500	47.42%
152,378,839	157,652,000	315,304,000	7.4429	48.33%
228,148,141	230,118,000	460,236,000	6.4429	49.57%
279,080,713	280,411,200	560,822,400	6.1926	49.76%
285,358,100	286,269,900	572,539,800	5.6927	49.84%
287,267,037	287,565,400	575,130,800	5.6927	49.95%
289,419,800	289,419,800	578,839,600	5.6927	50.00%
265,781,400	265,781,400	531,562,800	5.6927	50.00%

**City of Zeeland, Michigan
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years**

Table 8

Fiscal Year Ended June 30 ¹		CITY				SCHOOL			
		Operating	Streets	Debt	Total	Operating	Debt	State Education Tax	Total
1999	H	13.0000	2.0000	0.8500	15.8500	1.3922	5.6300	6.0000	13.0222
1999	NH	13.0000	2.0000	0.8500	15.8500	19.3922	5.6300	6.0000	31.0222
2000	H	12.2500	2.0000	0.8500	15.1000	1.3936	6.6300	6.0000	14.0236
2000	NH	12.2500	2.0000	0.8500	15.1000	19.3936	6.6300	6.0000	32.0236
2001	H	12.1500	1.9858	0.7500	14.8858	1.3816	6.6300	6.0000	14.0116
2001	NH	12.1500	1.9858	0.7500	14.8858	19.3816	6.6000	6.0000	31.9816
2002	H	10.1500	1.9858	0.7500	12.8858	1.3774	6.6300	6.0000	14.0074
2002	NH	10.1500	1.9858	0.7500	12.8858	19.3774	6.6300	6.0000	32.0074
2003	H	9.8500	1.9852	0.5500	12.3852	1.3665	6.6300	6.0000	13.9965
2003	NH	9.8500	1.9852	0.5500	12.3852	19.3665	6.6300	6.0000	31.9965
2004	H	10.8354	-	0.5500	11.3854	1.3710	6.6300	5.0000	13.0010
2004	NH	10.8354	-	0.5500	11.3854	19.3710	6.6300	5.0000	31.0010
2005	H	10.8854	-	0.5000	11.3854	1.4000	6.6300	6.0000	14.0300
2005	NH	10.8854	-	0.5000	11.3854	19.4000	6.6300	6.0000	32.0300
2006	H	10.8854	-	0.5000	11.3854	1.4000	6.6300	6.0000	14.0300
2006	NH	10.8854	-	0.5000	11.3854	19.4000	6.6300	6.0000	32.0300
2007	H	10.9854	-	0.4000	11.3854	1.4000	6.6300	6.0000	14.0300
2007	NH	10.9854	-	0.4000	11.3854	19.4000	6.6300	6.0000	32.0300
2008	H	10.9854	-	0.4000	11.3854	1.4000	6.6300	6.0000	14.0300
2008	NH	10.9854	-	0.4000	11.3854	19.4000	6.6300	6.0000	32.0300

Fiscal Year Ended June 30 ¹		COUNTY	INTERMEDIATE SCHOOL DISTRICT				GRAND TOTAL
		Ottawa County	Intermediate School	Special Education	Vocational Education	Total	
1999	H	4.4804	0.1104	2.2677	1.0807	3.4588	36.8114
1999	NH	4.4804	0.1104	2.2677	1.0807	3.4588	54.8114
2000	H	4.3812	0.1096	3.1523	1.0734	4.3353	37.8401
2000	NH	4.3812	0.1096	3.1523	1.0734	4.3353	55.8401
2001	H	4.3760	0.1087	3.1265	1.0647	4.2999	37.5733
2001	NH	4.3760	0.1087	3.1265	1.0647	4.2999	55.5433
2002	H	4.2722	0.1087	3.1265	1.0502	4.2854	35.4508
2002	NH	4.2722	0.1087	3.1265	1.0502	4.2854	53.4508
2003	H	4.1672	0.1078	3.1040	1.0570	4.2688	34.8177
2003	NH	4.1672	0.1078	3.1040	1.0570	4.2688	52.8177
2004	H	4.1611	0.1068	3.0762	1.0475	4.2305	32.7780
2004	NH	4.1611	0.1068	3.0762	1.0475	4.2305	50.7780
2005	H	4.2593	0.1065	3.0680	1.0447	4.2192	33.8939
2005	NH	4.2593	0.1065	3.0680	1.0447	4.2192	51.8939
2006	H	4.2579	0.1062	3.0620	1.0427	4.2109	33.8842
2006	NH	4.2579	0.1062	3.0620	1.0427	4.2109	51.8842
2007	H	4.2572	0.1061	3.0609	1.0423	4.2093	33.8819
2007	NH	4.2572	0.1061	3.0609	1.0423	4.2093	51.8819
2008	H	4.3572	0.1061	4.3750	1.0423	5.5234	35.2960
2008	NH	4.3572	0.1061	4.3750	1.0423	5.5234	53.2960

Source: City of Zeeland

¹ Fiscal year for Ottawa County begins January 1

² H = Homestead Properties
NH = Non-Homestead Properties

The City's millage rate is currently limited to 15 mills for operations.
The maximum allowable millage rate after Headlee Rollback Reduction is 14.1636.

City of Zeeland, Michigan
PROFILE OF TEN LARGEST PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Table 9

<u>Taxpayer</u>	<u>Principal Product or Type of Business</u>	2008			1999		
		<u>Taxable Valuation</u>	<u>Rank</u>	<u>% of Total Taxable Valuation</u>	<u>Taxable Valuation</u>	<u>Rank</u>	<u>% of Total Taxable Valuation</u>
Zeeland Power Co. LLC	Power Generation	\$156,524,244	1	28.19%	\$ -	-	-
Gentex Corporation	Automotive and Glass Parts	83,736,200	2	15.08%	22,696,909	2	7.51%
Mead Johnson	Infant Formula	53,808,724	3	9.69%	64,713,302	1	21.41%
Herman Miller, Inc.	Institutional Furniture	20,123,100	4	3.62%	21,667,643	3	7.17%
ITW Drawform	Stamping Operations	11,424,500	5	2.06%	9,999,989	4	3.31%
Innotec Corp	Automotive and Furniture Parts	9,392,367	6	1.69%	-	-	-
ODL Inc	Glass and Skylights	9,261,090	7	1.67%	4,573,667	9	1.51%
Plascore, Inc	Structural Honeycomb Products	5,938,319	8	1.07%	-	-	-
Howard Miller Clock Co.	Grandfather and Wall Clocks	5,599,620	9	1.01%	6,024,861	7	1.99%
Woodward FST	Airline/Aerospace Fuel Systems	5,167,122	10	0.93%	3,880,946	10	1.28%
Vertellus Chemical	Chemicals	-	-	-	9,609,678	5	3.18%
John Thomas Batts, Inc.	Garment Hangers	-	-	-	7,206,834	6	2.38%
Sealed Power	Automotive Parts	-	-	-	5,626,834	8	1.86%
Ten Largest Taxpayers		360,975,286		65.02%	156,000,663		51.60%
Other Taxpayers		194,188,315		34.98%	146,299,543		48.40%
Total Taxable Value		<u>\$555,163,601</u>		<u>100.00%</u>	<u>\$302,300,206</u>		<u>100.00%</u>

Source: City of Zeeland

Note: Includes ad valorem taxable value and the value of IFT's granted under Act 198.

An Act 198 abatement entitles a facility to a reduced tax for a period up to 12 years.

City of Zeeland, Michigan
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Table 10

Tax Year	Fiscal Year Ended June 30	Tax Levy	Collections to June 30	Percent Collected	Delinquent Tax Collections	Percent of Total Tax Collections Total Levy
1998	1999	\$ 3,319,686	\$ 3,318,273	99.96%	\$ 98,265	102.92%
1999	2000	3,743,299	3,740,348	99.92%	34,570	100.84%
2000	2001	3,576,921	3,569,044	99.78%	89,965	102.29%
2001	2002	3,734,589	3,715,258	99.48%	45,887	100.71%
2002	2003	4,228,641	4,159,407	98.36%	(35,626)	97.52%
2003	2004	4,184,440	4,163,708	99.50%	249,200	105.46%
2004	2005	4,258,538	4,257,954	99.99%	37,446	100.87%
2005	2006	4,347,684	4,311,251	99.16%	76,457	100.92%
2006	2007	4,443,254	4,433,551	99.78%	3,605	99.86%
2007	2008	4,810,163	4,808,214	99.96%	87,053	101.77%

Source: City of Zeeland

Note: Negative Collections result from Tax Tribunal Refunds

City of Zeeland, Michigan
PROFILE OF TEN LARGEST ELECTRIC CUSTOMERS
Current Year and Nine Years Ago

Table 11

Customer	Principal Product or Type of Business	2008			1999		
		KWH	Rank	Percent of Total KWH	KWH	Rank	Percent of Total KWH
Gentex Corporation	Automotive and Glass Parts	59,456,400	1	18.91%	16,728,300	3	6.70%
Mead Johnson	Infant Formula	51,434,136	2	16.36%	47,545,023	1	19.04%
Herman Miller, Inc.	Institutional Furniture	25,599,843	3	8.14%	25,436,634	2	10.19%
Zeeland Public Schools	Education	10,412,441	4	3.31%	-		0.00%
ITW Drawform	Stamping Operations	10,395,900	5	3.31%	8,964,000	7	3.60%
ODL Inc	Glass and Skylights	10,052,700	6	3.20%	10,399,500	6	4.20%
Vertellus Chemical	Chemicals	9,185,080	7	2.92%	12,478,414	5	5.00%
Plascore Inc.	Structural Honeycomb Products	8,008,200	8	2.55%	-		-
Innotec (all divisions)	Automotive and Furniture Parts	7,900,980	9	2.51%	-		-
Howard Miller Clock Co.	Grandfather and Wall Clocks	6,993,640	10	2.22%	8,319,600	8	3.30%
John Thomas Batts, Inc.	Garment Hangers	-		-	15,837,228	4	6.34%
Hy-Lift	Automotive Parts Supplier	-		-	7,005,600	10	2.81%
Sinter Metals Inc.	Powder Coated Metal Parts	-		-	7,547,796	9	3.02%
Ten Largest Customers		199,439,320		63.43%	160,262,095		64.19%
Other Customers		114,989,043		36.57%	89,445,549		35.81%
Total KWH		314,428,363		100.00%	249,707,644		100.00%

Source: City of Zeeland

City of Zeeland, Michigan
ELECTRIC REVENUE AND COLLECTIONS
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 12

Fiscal Year Ended June 30	Total Billed	Collections to June 30	Percent Collected	Delinquent Collections	Percent of Total Billed Collected
1999	\$ 13,840,413	\$ 13,839,853	99.996%	\$ 560	100.000%
2000	13,872,074	13,871,624	99.997%	450	100.000%
2001	14,283,965	14,268,665	99.893%	15,300	100.000%
2002	15,145,992	15,145,442	99.996%	550	100.000%
2003	15,823,610	15,823,010	99.996%	600	100.000%
2004	15,868,080	15,867,080	99.994%	1,000	100.000%
2005	17,093,517	17,091,214	99.987%	2,303	100.000%
2006	20,104,349	20,102,845	99.993%	1,504	100.000%
2007	18,366,973	18,366,573	99.998%	400	100.000%
2008	20,872,508	20,871,764	99.996%	744	100.000%

Source: City of Zeeland

City of Zeeland, Michigan
PROFILE OF TEN LARGEST WATER CUSTOMERS
Current Fiscal Year and Nine Years Ago

Table 13

<u>Customer</u>	<u>Principal Product or Type of Business</u>	<u>2008</u>			<u>1999</u>		
		<u>1,000 Gallons</u>	<u>Rank</u>	<u>Percent of Total GALS</u>	<u>1,000 Gallons</u>	<u>Rank</u>	<u>Percent of Total GALS</u>
Mead Johnson	Infant Formula	635,648	1	45.5%	633,262	1	50.44%
Zeeland Power Co. LLC	Power Plant	229,570	2	16.4%	-		0.00%
Gentex Corporation	Automotive and Glass Parts	108,677	3	7.8%	53,620	3	4.27%
Vertellus Chemical	Chemicals	46,784	4	3.3%	147,815	2	11.77%
Plascore Inc.	Structural Honeycomb Products	30,123	5	2.2%	39,840	4	3.17%
Herman Miller, Inc.	Institutional Furniture	26,529	6	1.9%	26,425	5	2.10%
ITW Drawform	Stamping Operations	12,757	7	0.9%	18,835	6	1.50%
ODL Inc	Glass and Skylights	11,412	8	0.8%	14,680	7	1.17%
City of Zeeland	Government	10,663	9	0.8%	-		-
Zeeland Public Schools	Education	9,227	10	0.7%	11,039	9	0.88%
John Thomas Batts, Inc.	Garment Hangers	-		-	12,867	8	1.02%
Woodward FST	Airline/Aerospace Fuel Systems	-		-	7,811	10	0.62%
Ten Largest Customers		1,121,390		80.23%	966,194		76.96%
Other Customers		276,248		19.77%	289,335		23.04%
Total Gallons		1,397,638		100.00%	1,255,529		100.00%

Source: City of Zeeland

City of Zeeland, Michigan
PROFILE OF TEN LARGEST CLEAN WATER CUSTOMERS
Current Fiscal Year and Nine Years Ago

Table 14

<u>Customer</u>	<u>Principal Product or Type of Business</u>	<u>2008</u>			<u>1999</u>		
		<u>CCF</u>	<u>Rank</u>	<u>Percent of CCF</u>	<u>CCF</u>	<u>Rank</u>	<u>Percent of CCF</u>
Gentex Corporation	Automotive and Glass Parts	123,731	1	27.9%	66,292	1	14.91%
Plascore Inc.	Structural Honeycomb Products	36,457	2	8.2%	51,766	2	11.64%
Herman Miller, Inc.	Institutional Furniture	28,406	3	6.4%	13,311	5	2.99%
ITW Drawform	Stamping Operations	13,861	4	3.1%	26,631	4	5.99%
Vertellus Chemical	Chemicals	11,461	5	2.6%	31,979	3	7.19%
ODL Inc	Glass and Skylights	9,014	6	2.0%	12,321	6	2.77%
Royal Park Condos	Condominiums	8,466	7	1.9%	-		-
Woodward FST	Airline/Aerospace Fuel Systems	6,457	8	1.5%	6,993	9	1.57%
Crestwood Condominiums	Condominiums	4,386	9	1.0%	-		-
Haven Park Chr Nurs Home	Senior Health Care	4,265	10	1.0%	5,407	10	1.22%
Hy-Lift	Automotive Parts Supplier	-		-	10,380	7	2.33%
Zeeland Hospital	Medical Care	-		-	8,390	8	1.89%
Ten Largest Customers		246,504		55.52%	233,470		52.50%
Other Customers		197,490		44.48%	211,269		47.50%
Total CCF (includes IPP usage and surcharges)		443,994		100.00%	444,739		100.00%

Source: City of Zeeland

City of Zeeland, Michigan
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Years

Year Ended Ended June 30	Governmental Activities			Business-Type Activities		
	General Obligation Bonds	Michigan Transportation Bonds	Special Assessment Bonds	Electric System Bonds	Water System Bonds	Clean Water System Bonds
1999	\$ 3,750,000	\$ 300,000	\$ -	\$ 8,620,000	\$ 6,770,000	\$ 4,000,000
2000	3,575,000	275,000	-	8,150,000	6,535,000	3,655,000
2001	3,385,000	245,000	-	7,645,000	10,585,000	3,305,000
2002	3,240,000	215,000	-	7,115,000	10,225,000	2,935,000
2003	3,085,000	185,000	-	6,555,000	9,880,000	-
2004	2,995,000	150,000	-	5,965,000	9,415,000	-
2005	2,800,000	115,000	-	5,305,000	8,935,000	-
2006	4,695,000	80,000	-	4,935,000	8,490,000	-
2007	4,410,000	40,000	-	4,555,000	7,930,000	-
2008	4,115,000	-	-	4,160,000	7,345,000	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ See the Demographic Statistics at Table 20 for personal income and population data

² See the Operating Indicators by Function at Table 23 for number of utility customers

Table 15

<u>Total Primary Government</u>	<u>Governmental Activities Net Bonded Debt Per Capita¹</u>	<u>Governmental Activities Percentage of Personal Income¹</u>	<u>Business-Type Activities Net Bonded Debt Per Customer²</u>
\$ 23,440,000	\$ 742	0.06%	\$ 2,153
22,190,000	706	0.06%	1,937
25,165,000	625	0.05%	2,210
23,730,000	595	0.05%	2,012
19,705,000	563	0.05%	2,082
18,525,000	542	0.04%	1,887
17,155,000	502	0.04%	1,702
18,200,000	823	0.06%	1,598
16,935,000	767	0.05%	1,475
15,620,000	709	N/A	1,359

City of Zeeland, Michigan
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Table 16

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service	Total	Percentage of Estimated Actual Taxable Value¹ of Property	Per Capita²
1999	\$ 3,750,000	\$ 43,387	\$ 3,706,613	0.61%	\$ 684
2000	3,575,000	76,114	3,498,886	0.53%	603
2001	3,385,000	75,671	3,309,329	0.49%	570
2002	3,240,000	106,950	3,133,050	0.40%	540
2003	3,085,000	90,128	2,994,872	0.31%	516
2004	2,995,000	102,364	2,892,636	0.27%	498
2005	2,800,000	104,364	2,695,636	0.25%	464
2006	4,695,000	104,453	4,590,547	0.42%	791
2007	4,410,000	78,752	4,331,248	0.39%	746
2008	4,115,000	57,745	4,057,255	0.35%	699

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedules of State Equalized Value and Estimated Actual Value of Taxable Property in Tables 6 & 7 for property value

² Population data can be found in the Demographic Statistics in Table 20.

City of Zeeland, Michigan
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2008

Table 17

Jurisdiction	Bonds Outstanding	Percentage Applicable to City	City's Share of Debt
DIRECT DEBT: City of Zeeland			
General obligation bonds	\$ 4,115,000	100.00%	<u>\$ 4,115,000</u>
OVERLAPPING DEBT:			
Ottawa County	\$ 29,680,000	3.02%	896,336
Ottawa Intermediate School District	6,775,000	2.65%	179,538
Zeeland Public School District	93,515,000	25.38%	<u>23,734,107</u>
Total Overlapping Debt			<u>24,809,981</u>
Total Direct and Overlapping Debt			<u>\$ 28,924,981</u>

Sources: Direct Debt provided by the City of Zeeland; Overlapping Debt provided by the Municipal Advisory Council of Michigan

City of Zeeland, Michigan
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	Fiscal			
	1999	2000	2001	2002
Debt Limit	\$ 31,366,360	\$ 33,098,420	\$ 38,120,010	\$ 46,868,850
Net General Obligation Debt Subject to Limitation	<u>3,707,938</u>	<u>3,502,776</u>	<u>3,309,329</u>	<u>3,133,050</u>
Legal Debt Margin	<u>\$ 27,658,422</u>	<u>\$ 29,595,644</u>	<u>\$ 34,810,681</u>	<u>\$ 43,735,800</u>
Total net debt applicable to the limit as a percentage of the debt limit	11.82%	10.58%	8.68%	6.68%

Legal Debt Margin Calculation for Fiscal Year 2008

State Equalized Valuation	\$ 579,420,200
Debt Limit - 10% of State Equalized Value	\$ 57,942,020
Debt Outstanding	\$ 15,620,000
Less: Exempt Debt	(11,505,000)
Less: Amount set aside for repayment of General Obligation Debt	<u>(57,745)</u>
Net General Obligation Debt Subject to Limitation	<u>4,057,255</u>
Legal Debt Margin	<u>\$ 53,884,765</u>

Note: State law limits the amount of city general obligation debt to 10% of state equalized value.
State Equalized Valuation of property granted tax abatement under Act 198 is included.

Year					Table 18
2003	2004	2005	2006	2007	2008
\$ 53,123,060	\$ 54,889,950	\$ 54,931,710	\$ 55,209,540	\$ 56,233,360	\$ 57,942,020
<u>2,994,072</u>	<u>2,895,189</u>	<u>2,688,192</u>	<u>4,670,547</u>	<u>4,371,248</u>	<u>4,057,255</u>
<u>\$ 50,128,988</u>	<u>\$ 51,994,761</u>	<u>\$ 52,243,518</u>	<u>\$ 50,538,993</u>	<u>\$ 51,862,112</u>	<u>\$ 53,884,765</u>
5.64%	5.27%	4.89%	8.46%	7.77%	7.00%

City of Zeeland
PLEDGED REVENUE COVERAGE - ELECTRIC UTILITY
Last Ten Fiscal Years

Table 19

Year Ended Ended June 30	Electric Utility Gross Revenue¹	Less: Operating Expenses²	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1999	\$ 14,235,358	\$ 11,000,287	\$ 3,235,071	\$ 425,000	\$ 375,985	4.04
2000	14,406,969	9,825,028	4,581,941	470,000	373,681	5.43
2001	15,108,735	11,103,177	4,005,558	505,000	351,089	4.68
2002	15,772,181	11,524,227	4,247,954	530,000	330,089	4.94
2003	16,328,342	12,235,926	4,092,416	560,000	308,559	4.71
2004	16,206,496	12,374,279	3,832,217	665,000	176,192	4.56
2005	17,965,115	14,276,920	3,688,195	660,000	181,392	4.38
2006	20,672,638	15,976,548	4,696,090	370,000	167,647	8.73
2007	19,571,538	13,041,544	6,529,994	380,000	160,045	12.09
2008	22,059,728	16,464,081	5,595,647	395,000	151,946	10.23

¹ Total revenues include operating revenues, interest, other nonoperating revenues, and capital contributions.

² Total expenses include operating expenses and operating transfers, exclusive of depreciation and interest.

City of Zeeland
PLEDGED REVENUE COVERAGE - WATER UTILITY
Last Ten Fiscal Years

Table 20

Year Ended Ended June 30	WaterUtility Gross Revenue¹	Less: Operating Expenses²	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1999	\$ 2,264,854	\$ 1,345,720	\$ 919,134	\$ 220,000	\$ 360,739	1.58
2000	2,394,355	1,509,948	884,407	235,000	348,250	1.52
2001	2,655,265	1,574,846	1,080,419	250,000	321,013	1.89
2002	3,034,104	1,352,201	1,681,903	360,000	566,898	1.81
2003	3,225,744	1,513,949	1,711,795	420,000	502,448	1.86
2004	3,074,877	1,583,390	1,491,487	465,000	467,643	1.60
2005	3,369,382	1,577,604	1,791,778	480,000	445,905	1.94
2006	3,533,748	1,634,120	1,899,628	555,000	342,775	2.12
2007	3,808,290	1,706,299	2,101,991	560,000	354,322	2.30
2008	3,811,658	1,852,162	1,959,496	585,000	332,195	2.14

¹ Total revenues include operating revenues, interest, other nonoperating revenues, and capital contributions.

² Total expenses include operating expenses and operating transfers, exclusive of depreciation and interest.

City of Zeeland
PLEDGED REVENUE COVERAGE - CLEAN WATER UTILITY
Last Ten Fiscal Years

Table 21

Year Ended Ended June 30	Sewer Utility Gross Revenue ¹	Less: Operating Expenses ²	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1999	\$ 1,662,573	\$ 725,010	\$ 937,563	\$ 150,000	\$ 183,850	2.81
2000	1,483,392	666,804	816,588	345,000	175,068	1.57
2001	1,918,836	658,452	1,260,384	350,000	159,588	2.47
2002	2,185,903	699,486	1,486,417	370,000	143,114	2.90
2003	1,663,463	742,015	921,448	395,000	117,196	1.80
2004	1,470,789	866,930	603,859	-	-	N/A
2005	1,825,416	834,523	990,893	-	-	N/A
2006	1,787,978	933,808	854,170	-	-	N/A
2007	2,078,673	969,809	1,108,864	-	-	N/A
2008	2,143,559	1,167,408	976,151	-	-	N/A

¹ Total revenues include operating revenues, interest, other nonoperating revenues, and capital contributions.

² Total expenses include operating expenses and operating transfers, exclusive of depreciation and interest.

City of Zeeland, Michigan
DEMOGRAPHIC STATISTICS
Last Ten Fiscal Years

Table 22

Year	Population¹	Personal Income²	Per Capita Personal Income²	Unemployment Rate³
1999	5,417	\$ 6,408,233,000	\$ 27,279	2.4%
2000	5,805	6,677,656,000	27,879	2.7%
2001	5,805	6,763,271,000	27,769	4.1%
2002	5,805	6,868,133,000	27,873	5.4%
2003	5,805	7,134,942,000	28,588	5.9%
2004	5,805	7,539,371,000	29,810	5.5%
2005	5,805	7,845,325,000	30,743	5.0%
2006	5,805	8,162,000,000	31,677	4.9%
2007	5,805	8,498,925,000	32,788	5.1%
2008	5,805	N/A	N/A	7.2%

¹ Source: U.S. Census Bureau

² U.S. Department of Commerce, Bureau of Economic Analysis, Holland-Grand Haven Metropolitan Statistical Area

³ U.S. Department of Labor, Holland-Grand Haven Metropolitan Statistical Area

City of Zeeland, Michigan
PRINCIPAL EMPLOYERS
Last Year and Ten Years Ago

Table 23

<u>Employer</u>	<u>Principal Product/Service</u>	<u>2007</u>		<u>% of Total</u>	<u>1998</u>	
		<u>Employees</u>	<u>Rank</u>		<u>Employees</u>	<u>Rank</u>
Gentex Corporation	Automotive and Glass Parts	2,317	1	19.5%	1,345	2
Herman Miller, Inc.	Institutional Furniture	1,881	2	15.9%	2,450	1
Zeeland Public Schools	Elementary/Secondary Education	682	3	5.8%	515	4
ODL Inc	Glass and Skylights	404	4	3.4%	311	6
Mead Johnson	Infant Formula	353	5	3.0%	-	-
Howard Miller Clock Co.	Grandfather and Wall Clocks	350	6	3.0%	521	3
ITW Drawform	Stamping Operations	289	7	2.4%	264	8
Innotec Corp.	Automotive and Furniture Parts	230	8	1.9%	-	-
Woodward FST	Airline/Aerospace Fuel Systems	229	9	1.9%	274	7
Haven Park Christian Nursing Home	Senior Health Care	210	10	1.8%	-	-
Plascore, Inc.	Structural Honeycomb Products	-	-	-	200	9
John Thomas Batts, Inc.	Garment Hangers	-	-	-	500	5
Total Employees		<u>6,945</u>		<u>58.57%</u>		

Source: City of Zeeland

Total employee information was not available for 1998.

City of Zeeland, Michigan
FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Current Year and Two Years Ago

Table 24

	<u>2006</u>	<u>2008</u>
Function		
General Government		
Administration	1.50	1.50
Clerk	2.50	2.50
Finance/Treasury	3.75	3.75
Assessing	2.50	2.50
Cemetery	3.00	3.00
Custodial	2.50	2.50
Economic Development	-	1.00
Public Safety		
Police	11.75	11.75
Fire	1.50	1.50
EMS/Rescue	1.00	1.00
Building and Zoning	2.00	2.00
Culture and Recreation		
Library	8.00	8.00
Community Center	1.50	1.50
Parks	1.50	1.50
Public Works		
Streets & Motor Pool	6.50	6.50
Electric Utility	22.00	22.00
Water Utility	2.50	2.50
Clean Water Utility	<u>5.75</u>	<u>5.75</u>
Total	<u>79.75</u>	<u>80.75</u>

Source: City of Zeeland

Full-time equivalents for prior years are not available

City of Zeeland, Michigan
OPERATING INDICATORS BY FUNCTION
Last Ten Years

	1999	2000	2001	2002	2003	2004
Function						
General government						
Area - square miles	3	3	3	3	3	3
Population	5,417	5,805	5,805	5,805	5,805	5,805
Number of registered voters	3,909	3,905	4,054	3,705	3,689	3,875
Number of tax bills	N/A	N/A	N/A	N/A	6,062	6,052
Public safety						
Police						
Number of incidents	3,086	3,290	2,687	3,326	3,460	3,002
Physical arrests	1,022	1,084	779	737	895	631
Traffic violations	903	1,448	785	831	533	807
Fire						
Number of incidents	126	116	133	142	156	134
Mutual aid agreements ¹	2	2	2	2	2	2
EMS/Rescue						
Number of incidents	351	395	376	466	435	490
Building and zoning						
Number of construction permits	295	268	318	270	222	215
Value of permits	\$ 19,978,873	\$ 13,481,821	\$ 12,331,486	\$ 5,780,583	\$ 14,345,093	\$ 4,255,569
Streets and highways						
Miles reconstructed	0.20	1.40	1.20	1.30	0.50	1.10
Miles resurfaced	1.50	0.40	0.60	2.10	0.70	0.60
Recreation and culture						
Library circulation	165,432	173,483	182,279	183,675	189,073	207,287
Patron visits	155,017	N/A	158,101	164,211	183,438	194,626
Community center rentals	N/A	N/A	N/A	N/A	N/A	N/A
Community center attendance	N/A	N/A	N/A	N/A	N/A	N/A
Public works						
Parking lots	6	6	6	6	6	6
Cemetery - acres	15	15	15	15	15	15
Electric Utility						
Connections - residential	3,821	4,030	4,210	4,455	4,600	4,810
Connections - commercial/industrial	512	520	545	565	645	660
M.W.H. generated and purchased	263,916	259,700	267,809	269,928	282,222	291,528
M.W.H. sold	249,708	245,735	252,392	253,253	262,744	273,386
Revenues from sales	\$ 13,840,413	\$ 13,872,074	\$ 14,283,965	\$ 15,145,992	\$ 15,823,610	\$ 15,868,080
Water Utility						
Connections - residential	2,026	2,105	2,135	2,161	2,165	2,190
Connections - commercial/industrial	264	344	351	362	367	370
Pumped - million gallons	1,280	1,296	1,233	1,225	1,401	1,224
Sold - million gallons	1,256	1,213	1,175	1,149	1,370	1,207
Revenues from sales	\$ 2,147,564	\$ 2,271,029	\$ 2,322,452	\$ 2,319,745	\$ 3,006,226	\$ 2,903,300
Clean Water Utility						
Connections - residential	2262 ²	2,116	2,164	2,157	2,182	2,230
Connections - commercial/industrial	-	283	303	295	332	329
Average daily sewage treatment	1.15	1.34	1.32	1.30	1.16	1.17
Treated effluent - million gallons	406	445	491	417	421	427
Residuals - million gallons	1.30	1.33	2.29	1.18	1.45	1.28
Revenues from sales	\$ 1,372,392	\$ 1,270,551	\$ 1,479,873	\$ 1,425,537	\$ 1,409,342	\$ 1,403,136

Source: City of Zeeland

¹ Mutual Aid Agreements are formalized for Ottawa County and Allegan County. In total, the two agreements extend to 41 separate municipalities.

² Connection include residential/commercial/industrial

Public Safety Statistics are calendar year

Table 25

2005	2006	2007	2008
3	3	3	3
5,805	5,805	5,805	5,805
3,896	3,896	3,878	3,923
6,092	6,146	6,005	6,254
2,837	3,148	3,334	N/A
556	507	456	N/A
824	776	1,132	N/A
110	103	85	N/A
2	2	2	2
475	509	420	N/A
206	209	184	184
\$ 47,201,031	\$ 40,099,884	\$ 14,367,868	\$ 7,021,578
0.90	0.90	0.58	1.07
1.20	1.10	-	1.00
239,832	239,278	239,636	255,342
198,347	N/A	178,213	179,400
N/A	N/A	729	811
N/A	15,360	18,977	17,977
6	6	6	6
17	17	17	17
4,920	5,030	5,055	5,090
710	730	760	765
307,608	323,825	332,434	336,871
286,370	304,808	312,293	314,428
\$ 17,093,517	\$ 20,104,349	\$ 18,366,973	\$ 20,872,508
2,232	2,252	2,245	2,248
386	388	407	407
1,367	1,386	1,408	1,427
1,299	1,361	1,372	1,398
\$ 3,128,092	\$ 3,245,258	\$ 3,343,128	\$ 3,476,026
2,201	2,203	2,190	2,216
330	344	353	354
1.17	1.21	1.21	1.31
429	432	442	463.5
1.32	1.13	1.22	1.28
\$ 1,548,347	\$ 1,590,235	\$ 1,690,374	\$ 1,616,629

City of Zeeland, Michigan
CAPITAL ASSETS STATISTICS BY FUNCTION
Last Ten Years

Function	1999	2000	2001	2002	2003	2004
Public Safety						
Police						
Number of stations	1	1	1	1	1	1
Number of patrol vehicles	5	5	5	5	5	5
Fire						
Number of stations	2	2	2	2	2	2
Number of Fire Fighting Apparatus	5	5	5	5	5	5
Number of K9 Teams	-	-	-	-	1	1
Emergency Medical/Rescue						
Number of Rescue Vehicles	2	2	2	2	2	2
Culture and Recreation						
Library	1	1	1	1	1	1
Community centers	2	2	2	2	2	2
Number of parks	8	8	8	8	8	8
Number of acres in parks	30.2	30.2	30.2	30.2	30.2	30.2
Park pavillions	6	6	6	6	6	6
Playgrounds	4	4	4	4	4	4
Tennis courts	3	3	3	3	3	3
Bike trails - miles	N/A	N/A	N/A	N/A	N/A	N/A
Streets						
Miles of Major streets	10.87	10.87	10.87	10.87	10.67	10.87
Miles of Local streets	19.49	19.49	19.49	19.49	19.59	19.29
Miles of Sidewalks	N/A	N/A	N/A	N/A	N/A	N/A
Traffic signals	6	6	6	6	6	6
Street Light Accounts	119	120	118	118	118	118
Street garage buildings leased or owned	3	3	3	3	3	3
Storm sewers - miles	14	14	14	14	14	16
Parking Lots						
Owned - square feet	166,700	166,700	166,700	166,700	166,700	166,700
Leased - square feet	71,500	71,500	71,500	71,500	71,500	71,500
Electric Utility						
Number of distribution stations	3	4	4	4	4	4
Miles of service lines						
Overhead	48	48	48	47	46	48
Underground	43	47	55	58	63	66
Water Utility						
Number of Storage Tanks	4	4	4	5	5	5
Miles of Distribution Mains	46	46	47	47	47	47
Number of Fire Hydrants	N/A	N/A	N/A	N/A	N/A	N/A
Clean Water Utility						
Miles of Sanitary Sewer	31	31	31	31	31	37
Major Lift Stations	7	7	7	7	7	7

Source: City of Zeeland

Table 26

2005	2006	2007	2008
1	1	1	1
5	5	6	5
2	2	2	2
5	5	5	5
1	1	1	1
2	2	2	2
1	1	2	2
2	2	2	2
8	8	8	8
30.5	30.5	30.5	30.5
6	6	6	6
4	4	4	4
3	3	3	3
6	6.3	7.5	8.7
10.87	11.17	11.17	11.17
19.49	19.49	19.49	19.49
N/A	24	24.16	24.49
6	6	6	7
120	120	125	125
3	3	2	3
15.5	15.5	15.5	15.5
166,700	166,700	166,700	166,700
71,500	71,500	71,500	71,500
4	4	4	4
45	44	48	48
69	73	79	82
5	5	5	5
48	49	51	51
531	540	548	555
37	37	37	37
7	7	7	7